



**COUNTY OF LOS ANGELES
TREASURER AND TAX COLLECTOR**

KENNETH HAHN HALL OF ADMINISTRATION
500 WEST TEMPLE STREET, ROOM 437
LOS ANGELES, CA 90012



MARK J. SALADINO

TREASURER AND TAX COLLECTOR

December 19, 2006

TELEPHONE
(213) 974-2101

FACSIMILE
(213) 626-1812

The Honorable Board of Supervisors
County of Los Angeles
383 Kenneth Hahn Hall of Administration
500 West Temple Street
Los Angeles, CA 90012

Dear Supervisors:

**RECOMMENDATION TO APPROVE SUCCESSOR AGREEMENT
WITH WAUSAU FINANCIAL SYSTEMS, INC.
FOR MAINTENANCE AND SUPPORT SERVICES
(ALL DISTRICTS - 3 VOTES)**

**CIO RECOMMENDATION: (X) APPROVE () APPROVE WITH MODIFICATION
() DISAPPROVE**

IT IS RECOMMENDED THAT YOUR BOARD:

1. Approve and instruct the Chairman to sign the attached Agreement (Agreement) with Wausau Financial Systems, Inc. (WAUSAU), to provide continued maintenance and support services for the Remittance Processing and Document Management System for the Treasurer and Tax Collector (TTC) for a term of four (4) years, commencing on February 1, 2007, or upon the date of Board approval, whichever is later, with a maximum contract sum not to exceed \$1,269,538;
2. Delegate authority to County's Project Director under the Agreement to execute future change notices to modify the Agreement that either (a) do not affect the scope of work, term, payments or maximum contract sum under the Agreement, or any term of the Agreement or (b) use the pool dollars available under the Agreement, provided County's Chief Information Officer's and County Counsel's approval is obtained prior to execution of change notices for additional software, hardware or custom programming.
3. Delegate authority to the Treasurer and Tax Collector to execute future amendments to add or change certain terms and conditions in the Agreement as required by the Board of Supervisors or Chief Administrative Officer provided

County Counsel concurrence is obtained prior to execution of such amendments;
and

4. Delegate authority to the Treasurer and Tax Collector to execute amendments to the following existing escrow agreements with DSI Technology Escrow Services, Inc. (DSI), County Agreement No. 72749, and National Software Escrow, Inc. (NSE), County Agreement No. 74501, which amendments, among other things, expressly extend the provisions of the escrow agreements to the Agreement.

PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION

On June 6, 2000, your Board approved an Agreement, County Agreement No. 72748 (System Agreement), with WAUSAU for a Remittance Processing and Image Archive System (System). This System was implemented in August 2000 and currently processes over eight (8) million payment transactions per year for various accounts receivable applications, including property tax. The Remittance Processing component of the System provides an enhanced automated payment process including daily bank deposits, while the Image Archive component of the System supports the imaging of the payment transactions and provides a search engine to facilitate the archiving and research associated with the processed transactions.

As the software utilized in the Remittance Processing component of the System is proprietary to WAUSAU and is an integral part of the Image Archive component, WAUSAU is the only source that can provide comprehensive maintenance and support services for the System. Additionally, WAUSAU is qualified to provide these services due to WAUSAU's knowledge of the County's complex business operations and the intricacies of maintaining the System.

An agreement award to a different contractor is not feasible because it would require purchase, development and implementation of a replacement system. A considerable amount of analysis and development time would be required to replicate the current System's functionality, in addition to the substantial additional costs and risks associated with transition to a new system. Additionally, a new contractor, unfamiliar with TTC's business operations and requirements, would experience an extensive learning curve with the setup and administration of a new system, while compromising TTC's current successful operation.

Implementation of Strategic Plan Goals

The maintenance and support of the System provided by the Agreement is in accordance with TTC's approved Business Automation Plan. Successful performance and support of the System will also meet the County's Strategic Plan Goals of Organizational Effectiveness and Service Excellence.

FISCAL IMPACT/FINANCING

The maximum contract sum for the four (4) year term is \$1,269,538, of which (a) approximately \$1,069,538 is allocated for the continuation of hardware and software maintenance and support services and (b) \$200,000 is allocated to pool dollars for as-needed professional services, such as training, and additional hardware, software and custom programming. Funding for this Agreement has been included in the 2006-2007 Adopted Budget, and will be included in TTC's budget requests for subsequent fiscal years.

FACTS AND PROVISIONS/LEGAL REQUIREMENTS

On June 6, 2000, your Board approved the System Agreement with WAUSAU. Among other amendments, the System Agreement was subsequently amended by your Board on June 3, 2003 to provide for an enhanced Document Management component to upgrade the Image Archive component of the System, which captures and stores approximately one (1) million document images per month utilized for research.

The County's Chief Information Officer concurs with TTC's recommendation (see attached analysis). The attached Agreement has been reviewed and approved as to form by County Counsel. Except as identified below, the Agreement contains the Board's required contract provisions, including those pertaining to compliance with the County's Child Support Program and Jury Service requirements.

This is not a Proposition A agreement due to the technical nature of the services provided, therefore, not subject to the Living Wage Program (County Code Chapter 2.201). It has been determined that the services under this agreement do not impact Board Policy No. 5.030, "Low Cost Resource Program", because of the specialized training needed to perform the work.

CONTRACTING PROCESS:

This is a sole source agreement due to the fact that the software utilized in the Remittance Processing component of the System is proprietary to WAUSAU and is an integral part of the Image Archive component. WAUSAU is the only vendor that can provide comprehensive maintenance and support services for the System. WAUSAU is qualified to provide these services with respect to the System as a whole due to its knowledge of the County's complex business operations and the intricacies of maintaining the System. Minority, Women, Disadvantaged or Disabled Veteran Business Enterprise statistical information for WAUSAU is included in Attachment I.

In some cases WAUSAU did not completely accept the County's standard contract language and TTC was required to negotiate alternative language because TTC can only obtain the services from WAUSAU. The terms and conditions rejected by WAUSAU, and the alternative language negotiated by TTC, are identified below.

TTC believes that the negotiated alternative language is commercially reasonable and does not impose any unacceptable risks or burdens on the County. In addition, TTC staff and, where applicable, County Counsel staff discussed each of the insurance and indemnification exceptions taken by WAUSAU with the Chief Administrative Office's Risk Management Operations staff.

The following are areas within the negotiated Agreement that depart from the County's standard language:

1. Maximum Contract Sum – The County's standard contract language requires the vendor to notify the County when it has incurred 75% of the total Contract Sum. Under the negotiated alternative language in the Agreement, TTC and WAUSAU will each maintain a system of record keeping that will allow TTC and WAUSAU together to determine when WAUSAU has incurred 75% of the total Contract Sum under the Agreement. Upon occurrence of this event, TTC's Project Director will send written notification to WAUSAU's Project Director indicating that such event has occurred. WAUSAU's Project Director will then indicate WAUSAU's concurrence by countersigning and returning the notice to TTC's Project Director.
2. Budget Reductions – The Agreement contains additional language to clarify WAUSAU's obligations in the event of budget reductions. Such language provides that any reduction in services as a result of budget reductions be accomplished pursuant to an applicable Change Notice or Amendment, rather than by notice of reduction.
3. Limitation of Liability – If the County brings a claim for damages, in most cases WAUSAU's monetary liability will be limited to the amount actually paid by County to WAUSAU during the twelve (12) months immediately preceding the month in which the claim first arose, or since inception of the Agreement (if less). This limitation does not apply to fraudulent misconduct, intentional misconduct or WAUSAU's obligation to indemnify County for intellectual property infringement. In addition, WAUSAU will not be liable for indirect, incidental, punitive, consequential, special or exemplary damages, and either party must assert a claim against the other within one year.
4. Intellectual Property Indemnification – The County's standard intellectual property indemnification language has been modified in two respects. First, WAUSAU is only required to indemnify County against damages payable to a third party that result from an action brought by such third party against County alleging that the System infringes upon a United States patent, copyright or trade secret of such third party. Second, if WAUSAU terminates the Agreement because it is not commercially feasible either to obtain the rights to use the infringing System component or to modify such component so that it is no longer infringing, WAUSAU is obligated to refund to County all amounts paid by County for its use of the infringing component of the System based on a ten (10) year amortization

beginning on the effective date of the Agreement.

5. Prohibition Against Assignment and Delegation – The Agreement contains language requiring County's prior approval of an assignment; however, WAUSAU is permitted to consummate the following transactions without County's prior approval: (a) assign the Agreement to a successor in ownership of all or substantially all of WAUSAU's assets that relate to the Agreement and (b) transfer, sale, exchange, assignment or divestiture by WAUSAU's shareholders, partners, members and/or other equity holders of any interests they may have in WAUSAU. WAUSAU is not relieved of its obligations under the Agreement in the event that it consummates any of the aforementioned transactions. Further, WAUSAU is required to provide County written notice of any such transaction and, to the extent legally permissible, is required to provide such notice prior to the commencement of such transaction.
6. Pre-Approved Subcontractors – WAUSAU refuses to allow County to review its subcontracts with the following "Pre-Approved Subcontractors" and additionally refuses to obtain subcontracts with such Pre-Approved Subcontractors which include County's required and standard terms and conditions: NCR Corporation; Dot Hill Systems Corporation; Eastman Kodak Company; and Hyland Software, Inc. As with all subcontractors, however, WAUSAU remains responsible for the performance of its Pre-Approved Subcontractors and will indemnify County for damages resulting from WAUSAU's use of any Pre-Approved Subcontractor. County must approve, in advance, any subcontract arrangement with any subcontractor other than the Pre-Approved Subcontractors.
7. Records and Audits – The Agreement provides County with the right to audit WAUSAU's financial records, but not its employee records, citing employee confidentiality and privacy concerns. Additionally, any audit of financial records may be conducted not more than once per calendar year by mutually agreed upon independent auditor, the expenses of which will be paid for by County unless the audit finds WAUSAU overcharged County by seven percent (7%) or more. WAUSAU is obligated, however, to provide County with the results of any audit conducted regarding the Agreement by any Federal or State auditor.
8. Termination for Convenience – If County cancels the purchase of future software or hardware components (Ordered Products): (a) cancellation of any Change Notice or Amendment prior to shipment of the Ordered Products will incur a cancellation fee not to exceed 25% of the purchase price of the Ordered Products, plus all fees, expenses, and personnel costs incurred by WAUSAU; (b) cancellation of a partial Change Notice or Amendment for Ordered Products prior to shipment is subject to a restocking fee not to exceed 15% of total items cancelled, plus all fees, expenses, and personnel costs incurred by WAUSAU up to the partial cancellation date; (c) in the event County postpones installation of the Ordered Products more than once or gives WAUSAU less than ninety (90)

days notice of the first postponement, County agrees to pay a postponement fee not to exceed 15% of the total cost of the Change Notice or Amendment. WAUSAU is required to provide County with supporting documentation for the expenses claimed in connection with any such cancellation. These cancellation costs do not apply to terminating the Agreement as a whole for County's convenience or terminating maintenance and support services with respect to either the Remittance Processing or Imaging Archiving components of the System for County's convenience.

9. Nondiscrimination and Compliance with Civil Rights Laws – WAUSAU concurs with the provisions set forth in County Code Section 4.32.010; however, WAUSAU will not allow County access to WAUSAU employee records to verify compliance with the provisions citing employee confidentiality and privacy concerns.
10. Consideration of Hiring County Employees Targeted for Layoff/or Re-Employment List – WAUSAU agrees with this provision, but it will only give consideration for employment rather than first consideration. Additionally, WAUSAU requires that County provide WAUSAU with a copy of the re-employment list.
11. Consideration of GAIN/GROW Program Participants for Employment – WAUSAU insists that the standard language for this provision, “For this purpose, consideration shall mean that Contractor will interview qualified candidates,” be modified as follows: “For this purpose, consideration shall mean that Contractor will interview qualified candidates by any means Contractor deems reasonably appropriate.”
12. Notice to Employees Regarding the Federal Earned Income Credit – Wausau insists on deleting the following language “and shall require each Subcontractor to notify its employees”.
13. Notice to Employees Regarding the Safely Surrendered Baby Law – WAUSAU requests that the language be modified to be consistent with Wisconsin law which is similar to the State of California’s Safely Surrendered Baby Law, and WAUSAU agrees to abide by Wisconsin’s law.

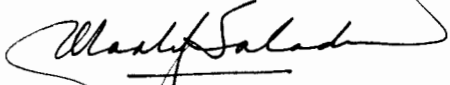
IMPACT ON CURRENT SERVICES

There is no impact on current services. Approval of the Agreement will ensure uninterrupted hardware and software maintenance and support services for the System.

CONCLUSION

Instruct the Executive Officer/Clerk of the Board to return two (2) signed originals of the Agreement and one (1) adopted stamped Board letter to TTC.

Respectfully submitted,



MARK J. SALADINO
Treasurer and Tax Collector

MJS:WMH

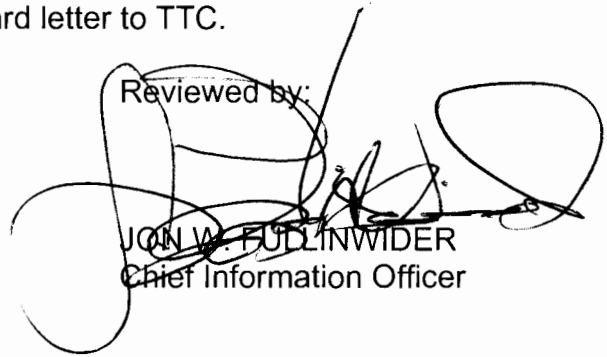
EVT:evt

Wausau Board Letter 12_4_06 MJS

Attachments

c: Auditor-Controller
Chief Administrative Officer
Chief Information Officer
County Counsel

Reviewed by:



JON W. FULLINWIDER
Chief Information Officer

ATTACHMENT I

**FIRM/ORGANIZATION INFORMATION AS PROVIDED BY PROPOSER
REMITTANCE PROCESSING AND DOCUMENT MANAGEMENT SYSTEM MAINTENANCE AND SUPPORT**

The following information was gathered for statistical purposes only. On final analysis and consideration of award, vendor was selected without regard to gender, race, creed or color.

FIRM INFORMATION	Wausau Financial Systems, Inc.	
CULTURAL/ETHNIC COMPOSITION	% of Ownership	No.
OWNERS/ PARTNERS:		
Black/African American	0	
Hispanic/Latino	0	
Asian or Pacific Islander	0	
American Indian	0	
Filipino	0	
All others	100%	7
Women (included above)		0
MANAGERS:		
Black/African American		
Hispanic/Latino	1	
Asian or Pacific Islander		
American Indian		
Filipino		
All others	47	
Women (included above)	9	
STAFF:		
Black/African American	3	
Hispanic/Latino		
Asian or Pacific Islander	6	
American Indian	3	
Filipino		
All others	334	
Women (included above)	141	
TOTAL NUMBER OF EMPLOYEES	401	
BUSINESS STRUCTURE	Corporation	
Certified as Minority, Woman, Disadvantaged or Disabled Veteran Business Enterprise?	N/A	

CIO ANALYSIS

TREASURER AND TAX COLLECTOR AGREEMENT WITH WAUSAU FINANCIAL SYSTEMS, INC. FOR MAINTENANCE AND SUPPORT SERVICES

CIO RECOMMENDATION: ☒ **APPROVE** ☐ **APPROVE WITH MODIFICATION**
 ☐ **DISAPPROVE**

Contract Type:

☒ **New Contract** ☐ **Contract Amendment** ☐ **Contract Extension**
☒ **Sole Source Contract** ☐ **Hardware Acquisition** ☐ **Other**

New/Revised Contract Term: **Base Term:** 4 years **# of Option Yrs** _____

Contract Components:

☐ **Software** ☐ **Hardware** ☐ **Telecommunications**
☒ **Professional Services**

Project Executive Sponsor: Anthony Yakimowich, Chief Deputy

Budget Information :

Maximum Contract Amount	\$ 1,269,538
-------------------------	--------------

Project Background:

Yes	No	Question
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Is this project legislatively mandated?
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Is this project subvented? If yes, what percentage is offset?
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Is this project/application applicable to (shared use or interfaced) other departments? If yes, name the other department(s) involved.

Strategic Alignment:

Yes	No	Question
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Is this project in alignment with the County of Los Angeles Strategic Plan?
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Is this project consistent with the currently approved Department Business Automation Plan?
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Does the project's technology solution comply with County of Los Angeles IT Directions Document?
<input checked="" type="checkbox"/>	<input type="checkbox"/>	Does the project technology solution comply with preferred County of Los Angeles IT Standards?
<input type="checkbox"/>	<input checked="" type="checkbox"/>	Has data for this contract and/or project been entered into the Information Technology Tracking System (ITTS)? This Amendment is simply for system maintenance and support services.

Project/Contract Description:

The Treasurer and Tax Collector (TTC) is requesting Board approval of a new four-year Agreement to provide continued maintenance and support services, by Wausau Financial Systems (WAUSAU), for the Treasurer Tax Collector's existing Remittance Processing and Document Management System (System). This new agreement is a successor to an existing maintenance and support agreement which will terminate on January 31, 2007.

Background:

The TTC Remittance Processing and Document Management System provides automated processing of over eight million payment transactions per year for a variety of County accounts receivable applications, including property taxes, as well as imaging and management of payment documents and other transactions.

On June 6, 2000, the Board approved an Agreement with WAUSAU for the Remittance Processing and Document Management System. Your Board has approved six subsequent amendments to this Agreement. Amendment One supported the upgrade of the imaging archive component to the more robust document imaging and management, Optima IMS. Amendment Two supported the migration of the remittance processing application to the latest version of Microsoft OS - Windows 2003 Server and Windows XP for the client stations. Amendment Three supported the upgrade of the existing remittance processing component of the System and approved the transfer of ownership of WAUSAU to the Frontenac Company, Inc. Amendment Numbers Four and Five extended the Agreement to complete testing and acceptance of all System enhancements related to Optima IMS and to allow for continuation of maintenance and support services. Amendment Number Six allowed additional time to fully test and implement enhancements, including workflow engine rules, and to complete negotiations for this new Agreement.

All services and enhancements identified in the prior Amendments, and covered under the original June 6, 2000 Agreement, have been successfully completed.

Project Justification/Benefits:

The System currently processes over eight million payment transactions per year as well as supporting the imaging and electronic search of these transactions. The departments of Auditor Controller, Assessor, and Animal Care and Control also utilize the imaging and document management functionality. Board approval of this new Agreement will allow continued System maintenance and support services for four additional years.

The software utilized in the Remittance Processing component of the system is proprietary to WAUSAU and is an integral component of the image archiving process. WAUSAU is therefore the sole vendor both qualified and authorized to maintain and support the System. Services provided by WAUSAU to date have met or exceeded service level expectations.

Project Metrics:

The maintenance and support services will be measured by successful operation of the Remittance Processing and Document Management System.

Impact On Service Delivery Or Department Operations, If Proposal Is Not Approved:

The Department's ability to continue its receivable processing as well as the ability for multiple departments to access and retrieve payment transaction documents will be constrained if the Board does not approve this Agreement.

Alternatives Considered:

No other alternatives were considered.

Project Risks:

This Agreement provides the Department with continued services that have previously been demonstrated to be acceptable, minimizing any risks associated with work quality.

TTC has negotiated alternative language for 13 standard contract terms which WAUSAU could not accept. Each of the revised terms has been reviewed by County Counsel and the CAO Risk Management Operations staff as appropriate. The vast majority of these terms pertain to social policy previously adopted by the Board. Two of these 13 terms are related to IT, but the risks are not significant:

Intellectual Property Indemnification – 1) WAUSAU will only indemnify County against *damages* alleging that the System infringes upon a United States patent, copyright or trade secret. WAUSAU will not indemnify County for other *losses, fees, costs and expenses; and* 2) if correction of an infringement by WAUSAU is not commercially feasible, WAUSAU is obligated to make a specific refund to County.

Termination for Convenience – The County is potentially liable for a variety of fees based on County's cancellation of work orders or delayed implementations. This is a departure from standard terms.

Each of these revised terms are departures from the County's standard terms, but reasonable from a business perspective and should present only minimal risk. This conclusion was based on the County's prior experience working with WAUSAU and using this System, and the scope and type of services (primarily maintenance). Additionally, the County's maximum exposure for any termination or delay fees would be limited to the 'pool' budget of \$200,000.

Risk Mitigation Measures:

The TTC has worked closely with County Counsel and the CAO's Risk Management Operations staff to understand potential risks associated with the revised Agreement terms.

Financial Analysis:

The maximum contract sum for the new Agreement is \$1,269,538, including \$200,000 in pool dollars over the four-year period. Pool dollars will be used for as-needed professional services, or additional hardware and software. This 'pool' budget is reasonable given the four (4) year term of the Agreement.

The prior Agreement, including six (6) Amendments, was budgeted at a maximum contract sum of \$3,983,139. When considering both Agreements, from June 2000 through the end of the new Agreement, January 2010, the maximum sum payable to WAUSAU will be \$5,252,677.

The TTC has indicated that funding for this new Agreement has been included in their FY 2006-2007 Adopted Budget, and will also be included in subsequent fiscal years.

CIO Concerns:

None.

CIO Recommendations:

The CIO recommends approval of this Agreement.

CIO APPROVAL

Date Received: December 4, 2006

Prepared by: Janette Park

Date: 12/7/06

Approved: Janette Park for Jon Fudenberg

Date: 12/7/06



AGREEMENT

BY AND BETWEEN

COUNTY OF LOS ANGELES

AND

WAUSAU FINANCIAL SYSTEMS, INC.

FOR

**REMITTANCE PROCESSING AND
DOCUMENT MANAGEMENT SYSTEM
MAINTENANCE AND SUPPORT**

February 2007

TABLE OF CONTENTS

PARAGRAPH	PAGE
1. APPLICABLE DOCUMENTS AND DEFINITIONS	- 1 -
2. ADMINISTRATION OF AGREEMENT - COUNTY	- 13 -
3. ADMINISTRATION OF AGREEMENT - CONTRACTOR	- 14 -
4. CHANGE NOTICES AND AMENDMENTS	- 17 -
5. WORK	- 18 -
6. [Intentionally Omitted]	- 20 -
7. TERM	- 20 -
8. CONTRACT SUM	- 21 -
9. INVOICES AND PAYMENTS	- 22 -
10. WARRANTIES AND CORRECTION OF DEFICIENCIES	- 25 -
11. SYSTEM OWNERSHIP AND LICENSE	- 28 -
12. [Intentionally Omitted]	- 32 -
13. SYSTEM USE	- 32 -
14. INDEMNIFICATION AND INSURANCE	- 32 -
15. PROPRIETARY CONSIDERATIONS	- 35 -
16. INTELLECTUAL PROPERTY INDEMNIFICATION	- 36 -
17. PROHIBITION AGAINST ASSIGNMENT AND DELEGATION	- 37 -
18. SUBCONTRACTING	- 37 -
19. DISCLOSURE OF INFORMATION	- 39 -
20. CONFIDENTIALITY	- 39 -
21. TERMINATION FOR DEFAULT	- 41 -
22. TERMINATION FOR CONVENIENCE	- 43 -
23. TERMINATION FOR INSOLVENCY	- 44 -
24. TERMINATION FOR IMPROPER CONSIDERATION	- 45 -
25. TERMINATION FOR GRATUITIES	- 45 -
26. RECORDS AND AUDITS	- 46 -
27. INDEPENDENT CONTRACTOR STATUS	- 47 -
28. WARRANTY AGAINST CONTINGENT FEES	- 47 -
29. [Intentionally Omitted]	- 47 -
30. CONFLICT OF INTEREST	- 47 -
31. COUNTY'S QUALITY ASSURANCE PLAN	- 48 -

32. FORCE MAJEURE	- 48 -
33. UNLAWFUL SOLICITATION	- 49 -
34. RESOLICITATION OF BIDS AND PROPOSALS	- 49 -
35. COMPLIANCE WITH APPLICABLE LAWS	- 49 -
36. FAIR LABOR STANDARDS	- 50 -
37. NONDISCRIMINATION AND COMPLIANCE WITH CIVIL RIGHTS LAWS	- 50 -
38. [Intentionally Omitted]	- 51 -
39. CONSIDERATION OF HIRING COUNTY EMPLOYEES TARGETED FOR LAYOFF/ON RE-EMPLOYMENT LIST	- 51 -
40. RESTRICTIONS ON LOBBYING	- 51 -
41. EMPLOYMENT ELIGIBILITY VERIFICATION	- 52 -
42. CONSIDERATION OF GAIN/GROW PROGRAM PARTICIPANTS FOR EMPLOYMENT	- 52 -
43. CONTRACTOR'S WARRANTY OF ADHERENCE TO COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM	- 53 -
44. TERMINATION FOR BREACH OF WARRANTY TO MAINTAIN COMPLIANCE WITH COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM	- 53 -
45. [Intentionally Omitted]	- 53 -
46. NOTICE TO EMPLOYEES REGARDING THE FEDERAL EARNED INCOME CREDIT	- 53 -
47. CONTRACTOR RESPONSIBILITY AND DEBARMENT	- 54 -
48. [Intentionally Omitted]	- 55 -
49. FEDERAL ACCESS TO RECORDS	- 55 -
50. LICENSES, PERMITS, REGISTRATIONS, ACCREDITATIONS AND CERTIFICATES	- 56 -
51. NEW TECHNOLOGY	- 56 -
52. NO THIRD PARTY BENEFICIARIES	- 56 -
53. GOVERNING LAW, JURISDICTION AND VENUE	- 56 -
54. DISPUTE RESOLUTION PROCEDURE	- 56 -
55. WAIVER	- 57 -
56. CONTRACTOR PERFORMANCE DURING CIVIL UNREST AND DISASTER	- 58 -
57. DAMAGE TO COUNTY FACILITIES, BUILDINGS OR GROUNDS	- 58 -
58. [Intentionally Omitted]	- 58 -
59. [Intentionally Omitted]	- 58 -
60. MINIMUM AGE, LANGUAGE SKILLS AND LEGAL STATUS OF CONTRACTOR PERSONNEL	- 58 -
61. VALIDITY AND SEVERABILITY	- 58 -

62. NOTICES	- 59 -
63. [Intentionally Omitted]	- 59 -
64. ARM'S LENGTH NEGOTIATIONS	- 59 -
65. NON-EXCLUSIVITY	- 59 -
66. ACCESS TO COUNTY FACILITIES	- 60 -
67. COUNTY FACILITY OFFICE SPACE	- 60 -
68. PHYSICAL ALTERATIONS	- 60 -
69. CONTRACTOR'S OFFICES	- 60 -
70. DELIVERY AND RISK OF LOSS	- 60 -
71. STAFF PERFORMANCE WHILE UNDER THE INFLUENCE	- 61 -
72. [Intentionally Omitted]	- 61 -
73. CAPTIONS AND PARAGRAPH HEADINGS	- 61 -
74. NOTICE OF DELAYS	- 61 -
75. COUNTY POLICY REGARDING RECYCLED PAPER	- 61 -
76. COMPLIANCE WITH COUNTY'S JURY SERVICE PROGRAM	- 61 -
77. COMPLAINTS	- 62 -
78. CONTRACTOR'S ACKNOWLEDGEMENT OF COUNTY'S COMMITMENT TO THE SAFELY SURRENDERED BABY LAW	- 62 -
79. SURVIVAL	- 63 -

EXHIBITS

- Exhibit A – Scope of Work**
 - Attachment A.1 – System Performance Time**
 - Attachment A.2 – Correction of Deficiencies**
- Exhibit B – Schedule of Prices and Payments**
- Exhibit C – Additional Work Request**
- Exhibit D – Administration of Agreement**
- Exhibit E – Contractor’s EEO Certification**
- Exhibit F – Jury Service Ordinance**
- Exhibit G – Safely Surrendered Baby Law**
- Exhibit H – Escrow Agreements**
 - Attachment H.1 – DSI Escrow Agreement**
 - Attachment H.2 – NSE Escrow Agreement**
- Exhibit I – Non-Hyland Third Party Warranties**
- Exhibit J – Non-Hyland Third Party License**

**AGREEMENT BY AND BETWEEN
COUNTY OF LOS ANGELES
AND
WAUSAU FINANCIAL SYSTEMS, INC.
FOR
REMITTANCE PROCESSING AND DOCUMENT MANAGEMENT SYSTEM
MAINTENANCE AND SUPPORT**

THIS AGREEMENT is made and entered into as of February 1, 2007 (hereinafter "Effective Date"), by and between the County of Los Angeles (hereinafter "County") and Wausau Financial Systems, Inc., a Wisconsin corporation (hereinafter "Contractor").

RECITALS

WHEREAS, Contractor is engaged in the business of providing turnkey remittance processing and document management systems and related services, including maintenance, support and professional services, as described hereunder;

WHEREAS, Contractor has provided to County, and has maintained, a Remittance Processing and Document Management System pursuant to County Agreement Number 72748, as amended by Amendment Numbers One through Five thereto, between County and Contractor for Remittance Processing and Image Archive System (hereinafter "System Agreement") with an expiration date of January 31, 2007;

WHEREAS, County desires to receive from Contractor, and Contractor has agreed to provide to County, goods and services relating to the Remittance Processing and Document Management System acquired by County from Contractor under the System Agreement, including maintenance, support, system upgrades and professional services; and

WHEREAS, this Agreement is authorized by California Government Code Sections 23004 and 31000 and otherwise.

NOW THEREFORE, in consideration of the mutual promises, covenants and conditions set forth herein, County and Contractor agree as follows:

1. **APPLICABLE DOCUMENTS AND DEFINITIONS**

1.1 **Interpretation**

The provisions of this document, along with Exhibits A, B, C, D, E, F, G, H, I, and J, together with the Attachments and Schedules thereto, each attached hereto, all described in this Paragraph 1.1 below and incorporated herein by reference, collectively form and throughout and hereinafter are referred to as the "Agreement". In the event of any conflict or inconsistency in the definition or interpretation of any word, responsibility, schedule or the contents or description of any Task, Subtask, Deliverable, goods, service or other work, or otherwise, between the body of this Agreement and the Exhibits, and the Attachments and Schedules thereto, or between the Exhibits, Attachments and Schedules, such conflict or inconsistency shall be resolved by giving precedence first to the body of

the Agreement, and then to the Exhibits, Attachments and Schedules according to the following descending priority:

- Exhibit A – Scope of Work
 - Attachment A.1 – System Performance Time
 - Attachment A.2 – Correction of Deficiencies
- Exhibit B – Schedule of Prices and Payments
- Exhibit C – Additional Work Request
- Exhibit D – Administration of Agreement
- Exhibit E – Contractor's EEO Certification
- Exhibit F – Jury Service Ordinance
- Exhibit G – Safely Surrendered Baby Law
- Exhibit H – Escrow Agreements
 - Attachment H.1 – DSI Escrow Agreement
 - Attachment H.2 – NSE Escrow Agreement
- Exhibit I – Non-Hyland Third Party Warranties
- Exhibit J – Non-Hyland Third Party License

1.2 Entire Agreement

The body of this Agreement, together with the Recitals and all Exhibits, Attachments and Schedules, as further defined in Paragraph 1.1 (Interpretation) above, constitutes the complete and exclusive statement of understanding between the parties and supersedes all previous and contemporaneous agreements, whether written or oral, and any and all communications and negotiations between the parties relating to the subject matter of this Agreement. Notwithstanding the foregoing, with respect to the Existing System Software and Existing System Hardware, the terms and conditions of the System Agreement which expressly survive termination or expiration thereof pursuant to the System Agreement, including, but not limited to, County's license rights in the Existing System Software, shall not be affected by this Agreement.

1.3 Definitions

The terms and phrases in this Paragraph 1.3 in quotes and with the initial letter capitalized, where applicable, shall have the meanings set forth below when used in this Agreement, throughout and hereinafter.

Acceptance

As used herein, the term "Acceptance" shall mean County's written approval of any Tasks, Subtasks, Deliverables, goods, services or other work provided by Contractor to County pursuant to this Agreement.

Acceptance Test(s)

As used herein, the term "Acceptance Test(s)", whether singular or plural, shall mean any or all of the tests conducted in accordance with each Statement of Work. Acceptance Tests may include, by way of example, Unit Test, System Test, Stress Test, User Acceptance Test and Performance Benchmark Verification.

Additional Software

As used herein, the term "Additional Software" shall mean (a) the additional licenses for then-existing System Software and (b) the software, including, but not limited to, all object code and related Documentation, in each case, which County may request, and which Contractor shall provide, in accordance with Paragraph 5.3 (Additional Work Request), Exhibit A (Scope of Work) and the applicable Statement of Work, and recorded from time to time in Exhibit B (Schedule of Prices and Payments), including but not limited to Third Party Software. Reference to Additional Software may include one or more Components or modules thereof or all Additional Software in the System.

Additional System Components

As used herein, the term "Additional System Components" shall mean Additional Software and Additional System Hardware.

Additional System Hardware

As used herein, the term "Additional System Hardware" shall mean additional equipment and/or other items which may be requested by County, and shall be provided by Contractor, in accordance with Paragraph 5.3 (Additional Work Request), Exhibit A (Scope of Work) and the applicable Statement of Work, and recorded from time to time in Exhibit B (Schedule of Prices and Payments). References to Additional System Hardware may include one or more Components thereof or all Additional System Hardware in the System.

Additional System Software

As used herein, the term "Additional System Software" shall mean the Additional Software, the Customizations and the Updates. References to Additional System Software may include one or more Components or modules thereof or all Additional System Software in the System.

Additional Work

As used herein, the term "Additional Work" shall have the meaning set forth in Paragraph 5.3 (Additional Work Request).

Agreement

As used herein, the term "Agreement" shall have the meaning given to such term in Paragraph 1.1 (Interpretation).

Amendment

As used herein, the term "Amendment" shall have the meaning set forth in Paragraph 4 (Change Notices and Amendments).

Board of Supervisors

As used herein, the term "Board of Supervisors" shall mean County's Board of

Supervisors, which is the governing body of County.

Business Day(s)

As used herein, the term "Business Day(s)" shall mean a day (or days when the term is used in the plural) falling within and including Monday through Friday, excluding County observed holidays, unless stated otherwise.

Change Notice

As used herein, the term "Change Notice" shall have the meaning set forth in Paragraph 4 (Change Notices and Amendments).

Component(s)

As used herein, the term "Component(s)" shall mean, individually and collectively, each and every Component of the System, including System Software and System Hardware.

Confidential Information

As used herein, the term "Confidential Information" shall have the meaning set forth in Paragraph 20 (Confidentiality).

Contract Sum

As used herein, the term "Contract Sum" shall mean the total monetary amount payable by County to Contractor hereunder, as set forth in Paragraph 8.1 (Maximum Contract Sum). The Contract Sum shall not be adjusted for any costs or expenses whatsoever of Contractor.

Contractor

As used herein, the term "Contractor" shall have the meaning set forth in the Preamble hereto.

Contractor Materials

As used herein, the term "Contractor Materials" shall have the meaning set forth in Paragraph 15 (Proprietary Considerations).

Contractor's Project Director

As used herein, the term "Contractor's Project Director" shall have the meaning set forth in Paragraph 3.1 (Contractor's Project Director).

Contractor's Project Manager

As used herein, the term "Contractor's Project Manager" shall have the meaning set forth in Paragraph 3.2 (Contractor's Project Manager).

Corrective Maintenance

As used herein, the term "Corrective Maintenance" shall have the meaning set forth in Exhibit A (Scope of Work).

County

As used herein, the term "County" shall have the meaning set forth in the Preamble hereto.

County Code

As used herein, the term "County Code" shall mean the Los Angeles County Code, as amended from time to time.

County Materials

As used herein, the term "County Materials" has the meaning given to such term in Paragraph 15 (Proprietary Considerations).

County's Project Director

As used herein, the term "County's Project Director" shall have the meaning set forth in Paragraph 2.1 (County's Project Director).

County's Project Manager

As used herein, the term "County's Project Manager" shall have the meaning set forth in Paragraph 2.2 (County's Project Manager).

Customizations

As used herein, the term "Customizations" shall mean Programming Modifications and Interfaces which County may request, and Contractor shall provide as mutually agreed to, in accordance with Paragraph 5.3 (Additional Work Request), Exhibit A (Scope of Work) and the applicable Statement of Work, and recorded from time to time in Exhibit B (Schedule of Prices and Payments). Reference to Customizations may include one or more Components or modules thereof or all Customizations in the System.

Day(s)

As used herein, the term "day(s)", whether singular or plural, shall mean calendar day(s) and not Business Day(s) unless otherwise expressly specified.

Deficiency; Deficiencies

As used herein, the term "Deficiency(ies)", whether singular or plural, shall mean and include defects in the design, development, implementation, materials and/or workmanship; omission(s); deviation(s) from published or mutually agreed upon standards, any of the Specifications or any County-approved Deliverables; or other problem(s) which result in the System not performing substantially in accordance with

this Agreement, including, without limitation, the Specifications.

Deliverable(s)

As used herein, the term "Deliverable(s)", whether singular or plural, shall mean items and/or services provided or to be provided by Contractor under this Agreement, including Deliverables in Exhibit A (Scope of Work) and numbered Deliverable(s) in the Statement of Work.

Department; TTC

As used herein, the terms "Department" and "TTC" shall mean County's Department of Treasurer and Tax Collector.

Director

As used herein, the term "Director" shall mean the Director of TTC, or such person's designee.

Dispute Resolution Procedure

As used herein, the term "Dispute Resolution Procedure" shall have the meaning set forth in Paragraph 54 (Dispute Resolution Procedure).

Documentation

As used herein, the term "Documentation" shall mean any and all written and electronic materials, including, but not limited to, training course materials, Specifications, customer technical manuals, customer handbooks, customer flow charts, customer technical information, customer reference materials, customer user manuals, customer operating manuals, quick-reference guides, FAQs, and all other instructions and reference materials relating to the capabilities, operation, installation and use of the System and/or applicable System Components available or provided by Contractor hereunder.

Effective Date

As used herein, the term "Effective Date" shall have the meaning set forth in the Preamble hereto.

Existing System Hardware

As used herein, the term "Existing System Hardware" shall mean the "System Hardware" under and as defined in the System Agreement and itemized in Exhibit B (Schedule of Prices and Payments). References to Existing System Hardware may include one or more Components thereof or all Existing System Hardware in the System.

Existing System Software

As used herein, the term "Existing System Software" shall mean the "System

Software" under and as defined in the System Agreement, which includes the "Application Software" and "Operating Software", in each case, under and as defined in the System Agreement and itemized in Exhibit B (Schedule of Prices and Payments). References to Existing System Software may include one or more Components or modules thereof or all Existing System Software in the System.

Final Acceptance

As used herein, the term "Final Acceptance" shall have the meaning set forth in Paragraph 5.5 (Final Acceptance of Certain Additional Work).

Functional Requirements

As used herein, the terms "Functional Requirements" shall mean the System requirements provided by Contractor under the System Agreement and any additional functional, technical and/or business requirements developed under this Agreement pursuant to Paragraph 5.3 (Additional Work Request).

Help Desk

As used herein, the term "Help Desk" shall have the meaning set forth in Exhibit A (Scope of Work) with all Attachments thereto.

Hyland

As used herein, the term "Hyland" shall mean Hyland Software, Inc.

Interfaces

As used herein, the term "Interfaces" shall mean the set of software mechanisms which allow the transfer of electronic data and/or software commands between computer systems, applications or modules, including, but not limited to, object code and related Documentation, which County may request, and Contractor shall provide, in accordance with Paragraph 5.3 (Additional Work Request), Exhibit A (Scope of Work) and the applicable Statement of Work, and recorded from time to time in Exhibit B (Schedule of Prices and Payments). Reference to the Interfaces may include one or more Components thereof or all Interfaces in the System.

License

As used herein, the term "License" shall have the meaning set forth in Paragraph 11.2 (License).

Maintenance and Support

As used herein, the term "Maintenance and Support" shall mean Maintenance Services and Support Services set forth in Exhibit A (Scope of Work), with all Attachments thereto, and provided by Contractor in accordance with Paragraph 5.2 (Maintenance and Support).

Maintenance Fee(s)

As used herein, the term "Maintenance Fee(s)", whether singular or plural, shall mean

fees for Maintenance and Support specified in Exhibit B (Schedule of Prices and Payments).

Maintenance Services

As used herein, the term "Maintenance Services" shall have the meaning set forth in Exhibit A (Scope of Work) and shall comprise Maintenance and Support provided by Contractor under this Agreement.

Non-Hyland Third Party Software

As used herein, the term "Non-Hyland Third Party Software" shall mean Third Party Software owned by third parties other than Hyland.

Other Professional Services

As used herein, the term "Other Professional Services" shall mean and include (a) Customizations not provided as part of Maintenance and Support or reflected in the then-current Specifications, including but not limited to Interfaces and Programming Modifications for creating new System functionality and enabling operation of the System Software on a new operating system or platform installed by County, (b) Training relating to Additional System Components, Customizations or the System generally, and (c) installation services and Maintenance and Support for Additional System Components, in each case, to be provided by or on behalf of Contractor by a change Notice or an Amendment in accordance with Paragraph 5.3 (Additional Work Request) and Exhibit A (Scope of Work) respectively.

Payment Schedule

As used herein, the term "Payment Schedule" shall mean, for each request for Additional Work under Paragraph 5.3 (Additional Work Request), a Task and Deliverable based schedule for payment of all amounts due in respect of such Additional Work, including but not limited to Additional Work requiring a Statement of Work.

Performance Benchmark Verification

As used herein, the term "Performance Benchmark Verification" shall mean an Acceptance Test for an Additional System Component or a Customization which may be required to be conducted in accordance with the applicable Statement of Work for such Additional System Component or Customization.

Performance Time

As used herein, the term "Performance Time" shall have the meaning set forth in Attachment A.1 (System Performance Time).

Performance Time Warranty

As used herein, the term "Performance Time Warranty" shall have the meaning set forth in Attachment A.1 (System Performance Time).

Pool Dollar Amount

As used herein, the term "Pool Dollar Amount" shall mean the remaining amount of Pool Dollars available for County's acquisition of Additional Work by a Change Notice pursuant to Paragraph 4 (Change Notices and Amendments). The Pool Dollar Amount shall be adjusted in connection with each Change Notice using Pool Dollars, as described in Exhibit C (Additional Work Request).

Pool Dollars

As used herein, the term "Pool Dollars" shall mean the money allocated under this Agreement for the provision by or on behalf of Contractor of Additional Work pursuant to a Change Notice, in each case, in accordance with the terms of this Agreement.

Pre-Approved Subcontractor(s)

As used herein, the term "Pre-Approved Subcontractors", whether singular or plural, shall have the meaning set forth in Paragraph 18 (Subcontracting).

Preventive Maintenance

As used herein, the term "Preventive Maintenance" shall have the meaning set forth in Attachment A.1 (System Performance Time).

Priority Level(s)

As used herein, the term "Priority Level(s)", whether singular or plural, shall mean identified Priority Levels 1, 2, 3 and 4 as defined in Attachment A.2 (Correction of Deficiencies).

Production Use

As used herein, the term "Production Use" shall mean the actual use of the System for performance of County's normal business operations.

Programming Modification(s)

As used herein, the term "Programming Modification(s)", whether singular or plural, shall mean those software modifications, including, but not limited to, object code and related Documentation, which County may request, and which Contractor shall provide, in accordance with Paragraph 5.3 (Additional Work Request), Exhibit A (Scope of Work) and the applicable Statement of Work, and recorded from time to time in Exhibit B (Schedule of Prices and Payments). Reference to Programming Modifications may include one or more Components or modules thereof or all Programming Modifications in the System.

Project Schedule

As used herein, the term "Project Schedule" shall mean, for each applicable request for Additional Work under Paragraph 5.3 (Additional Work Request), the schedule for the provision of Tasks and Deliverables of Additional System Components or

Customizations.

Release Condition(s)

As used herein, the term "Release Condition(s)", whether singular or plural, has the meaning set forth in Paragraph 11.3 (Source Code).

Source Code

As used herein, the term "Source Code" shall mean the source code for System Software developed for or licensed by Contractor to County under the Existing Agreement and/or this Agreement, other than the Non-Hyland Third Party Software, together with all Documentation related to such source code.

Specifications

As used herein, the term "Specifications" shall mean any or all of the following, as applicable:

1. All specifications, requirements and standards set forth in the Functional Requirements.
2. All specifications, requirements and standards included as Deliverables in any Statement of Work or otherwise developed pursuant to the System Agreement and/or this Agreement, including, but not limited to, system design reports, project control documents and other design documents for System Software.
3. All System performance requirements and standards set forth in this Agreement, including, but not limited to, Performance Time Warranty.
4. The Documentation, to the extent not inconsistent with any of the foregoing in this Paragraph.

State

As used herein, the term "State" shall mean the State of California.

Scope of Work

As used herein, the term "Scope of Work" shall mean the work provided by Contractor in accordance with Exhibit A (Scope of Work) with all Attachments thereto.

Statement of Work

As used herein, the term "Statement of Work" shall mean a statement of work agreed to by County and Contractor, describing the Tasks and Deliverables to be completed in respect of particular Additional System Components or Customizations, which statement of work is required to be developed under Paragraph 5.3 (Additional Work Request).

Stress Test

As used herein, the term "Stress Test" shall mean an Acceptance Test for an Additional System Component or Customization to test the System's maximum performance, scalability and reliability, which may be required to be conducted in accordance with the applicable Statement of Work for such Additional System Component or Customization.

Support Hours

As used herein, the term "Support Hours" shall mean twenty-four (24) hours a day, seven (7) days a week, including County observed holidays.

Support Services

As used herein, the term "Support Services" shall have the meaning set forth in Exhibit A (Scope of Work) and shall comprise Maintenance and Support provided by Contractor under this Agreement.

System

As used herein, the term "System" shall mean all System Hardware, System Software and services described in this Agreement and as otherwise agreed to by County and Contractor, collectively comprising the System. Reference to the System may include one or more Components or modules thereof or the entire System.

System Agreement

As used herein, the term "System Agreement" shall have the meaning set forth in the Recitals hereto.

System Hardware

As used herein, the term "System Hardware" shall mean the Existing System Hardware and the Additional System Hardware. References to System Hardware may include one or more Components thereof or all System Hardware in the System.

System Software

As used herein, the term "System Software" shall mean the Existing System Software and the Additional System Software. References to System Software may include one or more Components or modules thereof or all System Software in the System.

System Test

As used herein, the term "System Test" shall mean an Acceptance Test for an Additional System Component or Customization to confirm that each and every System Component operates properly in accordance with all Specifications and all provisions of this Agreement with no Priority Level 1, 2 or 3 Deficiencies, which may be required to be conducted in accordance with the applicable Statement of Work for such Additional System Component or Customization.

Task; Subtask

As used herein, the terms "Task" and "Subtask" shall mean one of the areas of work to be performed under this Agreement, including those identified as numbered Tasks and Subtasks in Exhibit A (Scope of Work) and/or in any applicable Statement of Work.

Term; Term of this Agreement

As used herein, the terms "term" and "term of this Agreement" shall have the meaning set forth in Paragraph 7 (Term).

Third Party Software

As used herein, the term "Third Party Software" shall mean Additional Software which is owned by third parties, as specified in Exhibit B (Schedule of Prices and Payments). References to Third Party Software may include one or more Components or modules thereof or all Third Party Software in the System.

Training

As used herein, the term "Training" shall mean System Software training provided by Contractor pursuant to Paragraph 5.3 (Additional Work Request).

Transition Services

As used herein, the term "Transition Services" shall have the meaning set forth in Paragraph 21.3.

Unit Test

As used herein, the term "Unit Test" shall mean an Acceptance Test for an Additional System Component or Customization to confirm that each and every individual component and subcomponent of each and every Component of the Additional System Component or Customization, as the case may be, operates properly in accordance with all Specifications and all provisions of this Agreement with no Priority Level 1, 2 or 3 Deficiencies, which may be required to be conducted in accordance with the applicable Statement of Work for such Additional System Component or Customization.

Update(s)

As used herein, the term "Update(s)", whether singular or plural, shall mean any additions to and/or replacements to System Software, or any Components thereof, provided by Contractor during the term of this Agreement as a part of its Maintenance and Support in accordance with Paragraph 5.2 (Maintenance and Support) and Exhibit A (Scope of Work). Updates may include, by way of example, enhancements, statutory changes, version releases, application and operating software upgrades, updates, revisions, improvements, bug fixes, patches, Deficiency corrections and modifications. Once installed by Contractor, Updates shall become part of, and be deemed, Additional System Software for all purposes under this Agreement. References to Updates may include one or more Components or modules thereof or

all Updates in the System.

User(s)

As used herein, the term "User(s)", whether singular or plural, shall mean any person or entity authorized by County to access or use the System pursuant to this Agreement.

User Acceptance Test

As used herein, the term "User Acceptance Test" shall mean an Acceptance Test for an Additional System Component or Customization to confirm that the System conforms to the Specifications and Functional Requirements and that all Priority Level 1, 2 and 3 Deficiencies which have been discovered have been corrected, which may be required to be conducted in accordance with the applicable Statement of Work for such Additional System Component or Customization.

Warranty Period

As used herein, the term "Warranty Period" shall mean (a) with respect to each of Paragraphs 10.1.1 (A), 10.1.1(B), 10.1.1(C) and 10.1.1 (D), the applicable period set forth in such Paragraph as the period during which the product and/or service provided in such Paragraph is in effect, and (b) with respect to each Component Non-Hyland Third Party Software and Additional System Hardware, the applicable period set forth in Exhibit I (Non-Hyland Third Party Warranties) as the period during which the product and/or service warranty provided in such Exhibit is in effect.

Working Day(s)

As used herein, the term "Working Day(s)", whether singular or plural, shall mean a twenty-four (24) hour period, seven (7) days a week, including County observed holidays, unless stated otherwise.

2. ADMINISTRATION OF AGREEMENT - COUNTY

All persons administering this Agreement by or on behalf of County and listed in this Paragraph 2 below are listed in Exhibit D (Administration of Agreement). Unless otherwise specified, reference to each of the persons listed in such Exhibit D (Administration of Agreement) shall also include his/her designee. County will notify Contractor in writing of any change in the names and/or business contact information of any of the persons listed in such Exhibit D (Administration of Agreement).

2.1 County's Project Director

2.1.1 County's Project Director will be responsible for ensuring that the objectives of this Agreement are met.

2.1.2 County's Project Director is not authorized to make any changes in any of the terms and conditions of this Agreement and is not authorized to further obligate County in any respect whatsoever.

- 2.1.3 County's Project Director will have the right at all times to inspect any and all Tasks, Subtasks, Deliverables, goods including System Components, services or any other work provided by or on behalf of Contractor.

2.2 County's Project Manager

- 2.2.1 County's Project Manager will be responsible for ensuring that the technical standards and requirements of this Agreement are met.
- 2.2.2 County's Project Manager is not authorized to make any changes in any of the terms and conditions of this Agreement and is not authorized to further obligate County in any respect whatsoever.
- 2.2.3 County's Project Manager will advise County's Project Director as to Contractor's performance with respect to requirements and technical standards.
- 2.2.4 County's Project Manager will interface with Contractor's Project Manager on a regular basis.

2.3 County Personnel

All County personnel assigned to this Agreement shall be under the exclusive supervision of County. Contractor understands and agrees that all such County personnel are assigned only for the convenience of County. Contractor hereby represents that its price and performance hereunder are based solely on the work of Contractor's personnel, except as otherwise expressly provided in this Agreement.

2.4 Approval of Work

All Tasks, Subtasks, Deliverables, goods, services and other work provided by Contractor under this Agreement, including but not limited to Additional Work but excluding Maintenance and Support, must have the written approval of County's Project Director. In no event shall County be liable or responsible for any payment prior to such written approval.

If Contractor provides any Tasks, Subtasks, Deliverables, goods, services or other work to County other than those specified in this Agreement, or if Contractor provides such items requiring County's prior written approval without first having obtained such written approval, the same shall be deemed to be a gratuitous effort on the part of Contractor and Contractor shall have no claim whatsoever against County therefor.

3. ADMINISTRATION OF AGREEMENT - CONTRACTOR

All persons administering this Agreement by or on behalf of Contractor and listed in this Paragraph 3 below are listed in Exhibit D (Administration of Agreement). All staff employed by and/or on behalf of Contractor, including the persons listed in such Exhibit D (Administration of Agreement), shall be adults who are fully fluent in both spoken and written English. Contractor shall notify County in writing of any change in the names and/or business contact information of the persons listed in such Exhibit D (Administration of Agreement).

3.1 Contractor's Project Director

- 3.1.1 Contractor's Project Director shall be a full-time employee of Contractor.
- 3.1.2 Contractor's Project Director shall be responsible for Contractor's performance of all Tasks and Subtasks and ensuring Contractor's compliance with this Agreement.
- 3.1.3 Contractor's Project Director shall be available to meet and confer with County's Project Director on a regular basis, at least monthly, either in person or by telephone as mutually agreed by the parties, to review project progress and discuss project coordination. Such meetings shall be conducted at a time and place as mutually agreed by the parties.

3.2 Contractor's Project Manager

- 3.2.1 Contractor's Project Manager shall be a full-time employee of Contractor.
- 3.2.2 Contractor's Project Manager shall be responsible for Contractor's day-to-day activities as related to this Agreement and for reporting to County in the manner set forth in Paragraph 3.4 (Maintenance and Support Reports by Contractor).
- 3.2.3 Contractor's Project Manager shall meet and confer with County's Project Manager on a regular basis, either in person or by telephone as mutually agreed by the parties.

3.3 Approval of Contractor's Staff

- 3.3.1 County's Project Director may request replacement of any member of Contractor's staff performing, or offering to perform, work hereunder, including, but not limited to, Contractor's Project Director, Contractor's Project Manager and any subcontractor's staff. Such replacement or other resolution of such request shall be mutually agreed to between County and Contractor. Upon County Project Director's request, for Contractor's key personnel listed in Exhibit D (Administration of Agreement), Contractor shall provide County with a resume of each initial staff member, and any proposed substitute, and prior to his/her performance of any work hereunder. Contractor's key personnel as designated in Exhibit D (Administration of Agreement) are hereby approved as of the Effective Date by County in the key roles specified therein.
- 3.3.2 In addition, Contractor represents and warrants that it shall, to the maximum extent possible, take all necessary steps to ensure continuity over time of the membership of the group constituting Contractor's staff, including, but not limited to, Contractor's Project Director and Contractor's Project Manager. Contractor shall promptly fill any staff vacancy with personnel having qualifications at least equivalent to those of the staff member(s) being replaced.
- 3.3.3 In fulfillment of its responsibilities under this Agreement, Contractor shall utilize, and permit utilization of, only staff fully trained and experienced, and as appropriate, licensed or certified in the technology, trades, Tasks and Subtasks required by this Agreement. Contractor shall supply sufficient staff to discharge its responsibilities hereunder in a timely and efficient manner.

- 3.3.4 In the event Contractor should ever need to remove any staff from performing work under this Agreement, Contractor shall work with County on a mutually agreeable transition plan so as to provide an acceptable replacement and ensure project continuity.
- 3.3.5 Background and Security Investigations
- 3.3.5.1 Contractor represents and warrants that it has conducted a criminal background check of all of its employees hired on or after September 1, 2003, and that as of the date of this Agreement, none of the employees hired after September 1, 2003 who will be performing work under this Agreement have criminal convictions for: bribery, robbery, forgery, theft, fraud, embezzlement, receiving stolen property, extortion, perjury or any computer related fraud (collectively in this Paragraph 3.3.5, "Specified Infringements"). Contractor agrees to conduct a criminal background check on all other employees who will be performing work under this Agreement who were hired by Contractor prior to September 1, 2003, by no later than March 31, 2007. Contractor shall not utilize any employee to perform work under this Agreement if the employee has a conviction for any of the Specified Infringements.
- 3.3.5.2 Contractor shall make reasonable efforts to require its subcontractors to conduct reasonable criminal background checks of their respective staff performing work under this Agreement. As of the Effective Date, Contractor has requested that each Pre-Approved Subcontractor conduct reasonable criminal background checks of its respective staff performing work under this Agreement and has notified County's Project Director in writing of all Pre-Approved Subcontractors, if any, which have refused to conduct any such criminal background check. Prior to any other subcontractor performing work under this Agreement, Contractor shall request that such subcontractor conduct a reasonable criminal background check of the staff it proposes perform work under this Agreement and shall notify County's Project Director, in writing, if such subcontractor refuses to conduct any such criminal background check.
- 3.3.5.3 Contractor shall make reasonable efforts to require each subcontractor to not utilize any subcontractor staff to perform work under this Agreement if such staff have failed subcontractor's criminal background check. Contractor shall immediately notify County's Project Director, in writing, if any subcontractor insists upon using any subcontractor staff to perform work under this Agreement if such staff have failed subcontractor's criminal background check.
- 3.3.5.4 County shall have the right to disapprove of any subcontractor which either (a) refuses to conduct reasonable criminal background checks of the staff it proposes perform work under this Agreement or (b) insists upon using staff to perform work under this Agreement if such staff have failed subcontractor's criminal background check. If County's disapproval of a subcontractor eliminates the sole source of goods or services provided by such disapproved subcontractor, Contractor may amend this Agreement to reduce or eliminate the provision of the affected goods or services.
- 3.3.5.5 On a semi-annual basis commencing on the six (6) months anniversary of the Effective Date, Contractor shall deliver to County's Project Director a written report describing the status of obtaining criminal background checks with respect to any outstanding subcontractors, including Contractor's efforts in respect thereof.

3.3.5.6 Nothing in this Paragraph 3.3.5 shall limit County's rights under Paragraph 3.3 (Approval of Contractor's Staff) or Paragraph 18 (Subcontracting).

3.3.6 Contractor's Staff Identification

Contractor shall provide all staff assigned to this Agreement with a photo identification badge. Contractor staff, while on duty or when entering a County facility, building or ground, shall prominently display the photo identification badge on the upper part of the body.

3.4 Maintenance and Support Reports by Contractor

Contractor shall provide to County's Project Director, with a copy to County's Project Manager, monthly written reports detailing Contractor's Maintenance and Support activities hereunder. The form and substance of such reports shall substantially conform to the reports being used under the System Agreement immediately prior to the Effective Date or as otherwise mutually agreed upon by County's Project Director and Contractor's Project Director.

4. CHANGE NOTICES AND AMENDMENTS

4.1 No representative of either County or Contractor, including those named in this Agreement, is authorized to make any changes in any of the terms, obligations or conditions of this Agreement, except through the procedures set forth in this Paragraph 4.

4.2 Any changes to any portion of the work required under this Agreement and to any other provisions under this Agreement shall be accomplished only as provided in this Paragraph 4.

4.3 For any change requested by County which either (a) does not affect the scope of work, term, payments or Contract Sum, or any term or condition included in this Agreement, or (b) will use Pool Dollars, a "Change Notice" shall be prepared and executed by County's Project Director and Contractor's Project Director, provided that Change Notices for Additional System Components and/or Customizations which use Pool Dollars shall additionally require written approval of County's Chief Information Officer and County Counsel.

4.4 Except as otherwise provided in this Agreement, for any change requested by County which affects the scope of work, term, Contract Sum or payments, or any term or condition included in this Agreement, a mutually agreed upon written "Amendment" to this Agreement shall be prepared and executed by County's Board of Supervisors and Contractor's authorized representative.

4.5 For renewals under Paragraph 7.1 (General), a mutually agreed upon written "Amendment" to this Agreement shall be prepared and executed by County's Board of Supervisors and Contractor's authorized representative, which (a) supplements Exhibit B (Schedule of Prices and Payments) to add pricing for one (1) or more of the then-remaining renewal periods, (b) amends Paragraph 8.1 (Maximum Contract Sum) to reflect such pricing and (c) if pricing for more than one (1) renewal period is added pursuant to such Amendment, amends Paragraph 7.1 (General) to allow the

term of this Agreement to renew automatically for each such renewal period, unless either party gives the prior written notice of its intent not to renew this Agreement under Paragraph 7.1 for such renewal period.

- 4.6 For Additional Work, County and Contractor may agree upon one or more Project Schedules for the work to be performed hereunder. Changes to any Project Schedule shall be made only upon mutual agreement, in writing, by County's Project Director and Contractor's Project Director, provided that County's Project Director's and Contractor's Project Director's agreement to alter any Project Schedule shall not prejudice either party's right to claim that such alterations constitute an Amendment to this Agreement that shall be governed by the terms of Paragraph 4.4 above. Notwithstanding any other provision of this Paragraph 4, to the extent that extensions of time for Contractor performance do not impact either the scope of work or cost of this Agreement, County's Project Director, may grant Contractor extensions of time in writing for the work listed in each such Project Schedule, provided that the total of such extensions shall not exceed a total of six (6) months and shall not extend the term of this Agreement.
- 4.7 County's Board of Supervisors or Chief Administrative Officer or designee may require the addition and/or change of certain terms and conditions in the Agreement during the term of the Agreement. County reserves the right to add and/or change such provisions as required by County's Board of Supervisors or Chief Administrative Officer. Such changes shall be implemented by a mutually agreed upon written Amendment to this Agreement prepared and executed by the Director and Contractor's authorized representative.
- 4.8 Except for the parties' initial signatures to this Agreement, of which at least a single fully-executed version must be provided in "original" form and not by facsimile, County and Contractor hereby agree that if elected by County, when appearing in appropriate places on the Change Notices or Amendments prepared in accordance with this Paragraph 4 and received via communications facilities (including but not limited to telephone lines and computer networks), to regard (a) facsimile representations of original signatures of authorized officials of each party as legally sufficient evidence that such original signatures have been affixed to Change Notices or Amendments and (b) multiple counterpart signatures of authorized officials of each party, when taken together, as a single fully-executed version.

5. WORK

5.1 Scope of Work

Contractor shall provide, complete, deliver and implement all Tasks, Subtasks, Deliverables, goods, services and other work as set forth in this Agreement, including, but not limited to, Maintenance and Support and Additional Work upon County's request and approval therefor in accordance with this Agreement. Contractor shall perform such Tasks, Subtasks, Deliverables, goods, services and other work at the applicable rates and prices specified in Exhibit B (Schedule of Prices and Payments) and in accordance with Exhibit A (Scope of Work), any applicable Change Notices or Amendments and any applicable Statement of Work, in each case, with all Attachments thereto.

5.2 Maintenance and Support

Commencing on the Effective Date, Contractor shall provide to County, Maintenance and Support, including Maintenance Services and Support Services, with respect to the System as provided in, and in accordance with, Exhibit A (Scope of Work), with all Attachments thereto. Notwithstanding the foregoing, County's obligation to pay Maintenance Fees, if any, shall commence (a) with respect to Components of Existing System Software and System Hardware, on the Effective Date, (b) with respect to any Components of Additional System Software, other than Non-Hyland Third Party Software, on County's commencement of Production Use of such Components of Additional System Software in accordance with the applicable Statement of Work, and/or (c) with respect to any Components of Non-Hyland Third Party Software and any Components of Additional System Hardware, on the expiration of the applicable Warranty Period for such Components of Non-Hyland Third Party Software or Components of Additional System Hardware, as the case may be, in accordance with Exhibit I (Non-Hyland Third Party Warranties).

5.3 Additional Work Request

- 5.3.1 From time to time following the Effective Date, County's Project Director may request, in writing, that Contractor provide Additional System Components and/or Other Professional Services (individually and collectively, "Additional Work"). County's Project Director's written request shall include any additional Functional Requirements applicable to the Additional Work. Within twenty (20) days from the date of such a request, or such other period as mutually agreed to by County's Project Director and Contractor, Contractor shall provide a written proposal in response to the request, together, if applicable, with Specifications. If County finds the proposal acceptable, Contractor shall prepare a Statement of Work. Once the parties have mutually agreed upon the Statement of Work, the parties shall mutually and cooperatively draft a Change Notice or Amendment, as required under Paragraph 4 (Change Notices and Amendments), substantially in the form attached hereto as Exhibit C (Additional Work Request), together with all Attachments referenced therein, including, without limitation, the Statement of Work.
- 5.3.2 Any proposal submitted by Contractor hereunder shall remain valid for sixty (60) days following Contractor's delivery thereof to County's Project Director.
- 5.3.3 Upon execution in accordance with Paragraph 4 (Change Notices and Amendments), each Change Notice and Amendment shall constitute a "Change Notice" or "Amendment", as the case may be, under this Agreement for all purposes. Each Change Notice and Amendment, Contractor's performance thereunder and any Tasks, Subtasks, Deliverables, goods, services and/or other work delivered by Contractor with respect thereto, shall be subject to the terms and conditions of this Agreement, in addition to the terms and conditions of such Change Notice or Amendment, including any applicable performance and/or service level standards set forth herein. Without limiting the foregoing, all such Tasks, Subtasks, Deliverables, goods, services and other work thereunder shall constitute "Additional Work" for all purposes under this Agreement and any Additional System Components and Customizations included therein shall automatically constitute "System Software" and/or "System Hardware", as applicable, for all purposes under this Agreement.
- 5.3.4 In no event shall County be liable or responsible for payment respecting a particular Task, Subtask, Deliverable, good, service or other work under a Change Notice or

Amendment until such Change Notice or Amendment has been fully executed in accordance with Paragraph 4 (Change Notices and Amendments).

5.4 Status Reports for Additional System Components and/or Customizations

For Additional System Components and Customizations, Contractor shall provide to County's Project Director, with a copy to County's Project Manager, monthly written reports detailing the status of all Additional System Components and Customizations as required by any Change Notice or Amendment.

5.5 Final Acceptance of Certain Additional Work

Unless otherwise mutually agreed with respect to a particular Change Notice or Amendment, an Additional System Component and/or Customization shall achieve "Final Acceptance" if and when County's Project Director has confirmed in writing in accordance with Paragraph 2.4 (Approval of Work) that the Additional System Component and/or Customization has been successfully completed, all applicable Acceptance Tests have been successfully completed and that Contractor has successfully completed all corrective action for all Priority Level 1, 2 and 3 Deficiencies, as determined in the reasonable judgment of County's Project Director, subject to Dispute Resolution Procedure. In addition, County may Accept an Additional System Component and/or Customization pursuant to Paragraph 13 (System Use).

6. [Intentionally Omitted]

7. TERM

7.1 General

The initial term of this Agreement shall begin on the Effective Date and continue for a period of four (4) years. Thereafter, the Agreement shall be renewed for subsequent one (1) year terms up to a maximum of three (3) such renewals, unless either party gives written notice of its intent not to renew this Agreement not less than six (6) months prior to the end of the then-current term (which shall include the initial term). Renewals under this Paragraph 7.1 shall be accomplished pursuant to an Amendment under Paragraph 4.5. Director is authorized to give written notice of County's intent not to renew this Agreement. The term of this Agreement (which shall include the initial term) may sooner terminate in accordance with the terms of this Agreement.

7.2 Notification of Expiration

Contractor shall notify the Director when this Agreement is within six (6) months from the expiration of the term as provided for hereinabove. Upon occurrence of this event, Contractor shall send written notification to TTC at the address herein provided in Exhibit D (Administration of Agreement).

7.3 Term of License

Notwithstanding any other provision of this Agreement, the term of the License is

as set forth in Paragraph 11.2 (License).

7.4 Transition Services

Transition Services (defined below) will be provided by Contractor upon the expiration of this Agreement, or upon the termination of this Agreement, subject to the terms and conditions of Paragraph 21.

8. CONTRACT SUM

8.1 Maximum Contract Sum

The Contract Sum under this Agreement shall be the total monetary amount payable by County to Contractor for supplying all the Tasks, Subtasks, Deliverables, goods, services and other work requested and specified under this Agreement. All work completed by Contractor, other than Maintenance and Support, must be approved in writing by County in accordance with Paragraph 2.4 (Approval of Work) and, in the case of applicable Additional Work, Paragraph 5.5 (Final Acceptance of Certain Additional Work). If County does not so approve such work, no payment shall be due Contractor for that work. Contractor shall not be entitled to payment or reimbursement for any Tasks or services performed, nor for any incidental or administrative expenses whatsoever incurred in or incidental to performance hereunder, except as specified herein or in a Change Notice or Amendment.

The Contract Sum, including all applicable taxes and Pool Dollars, authorized by County hereunder shall not exceed the amount set forth on Exhibit B (Schedule of Prices and Payments) as the "Maximum Contract Sum", allocated as set forth on Exhibit B (Schedule of Prices and Payments), unless the Contract Sum is modified pursuant to a duly approved Amendment to this Agreement by County's Board of Supervisors and Contractor's authorized representative pursuant to Paragraph 4 (Change Notices and Amendments). Notwithstanding any provision of this Paragraph 8.1, Contractor shall fully perform and complete all work required of Contractor by this Agreement in exchange for the amounts to be paid to Contractor as set forth in this Agreement.

Each Change Notice and Amendment entered into hereunder shall indicate the percentage of the total Contract Sum obligated after giving effect to such Change Notice or Amendment, as the case may be. Additionally, each of County and Contractor shall maintain a system of record keeping that will allow County and Contractor to determine when Contractor has incurred seventy-five percent (75%) of the total Contract Sum under this Agreement. Upon occurrence of this event, County's Project Director or designee shall send written notification to Contractor's Project Director which so indicates that such event has occurred. Contractor's Project Director shall then indicate Contractor's concurrence with such written notification by countersigning and returning such notice to County's Project Director.

8.2 County's Obligation for Future Fiscal Years

County's obligation may be limited if it is payable only and solely from funds

appropriated for the purpose of this Agreement. Notwithstanding any other provision of this Agreement, County shall not be obligated for Contractor's performance hereunder or by any provision of this Agreement during any of County's future fiscal years unless and until County's Board of Supervisors appropriates funds for this Agreement in County's budget for each such future fiscal year. In the event that funds are not appropriated for this Agreement, then County shall promptly notify Contractor of the same and may, at its sole discretion, either (i) terminate this Agreement as of June 30 of the last fiscal year for which funds were appropriated or (ii) reduce the work required hereunder in accordance with the funds appropriated, which reduction shall be accomplished pursuant to a Change Notice or Amendment in accordance with Paragraph 4 (Change Notices and Amendments). The foregoing shall not prevent Contractor from seeking payment for work performed by Contractor prior to the effective date of such termination or reduction in accordance with the terms hereof.

8.3 No Payment for Services Provided Following Expiration/Termination of Agreement

Contractor shall have no claim against County for payment of any money or reimbursement, of any kind whatsoever, for any services provided by Contractor after the expiration or termination of this Agreement. Should Contractor receive any such payment, it shall immediately notify County and shall immediately repay all such funds to County. Payment by County for services rendered after expiration/termination of this Agreement shall not constitute a waiver of County's right to recover such payment from Contractor. The foregoing shall not prevent Contractor from seeking payment for work performed by Contractor prior to the effective date of such termination or reduction in accordance with the terms hereof.

8.4 Budget Reductions

In the event that County's Board of Supervisors adopts, in any fiscal year, a County Budget which provides for reductions in the salaries and benefits paid to the majority of County employees and imposes similar reductions with respect to County contracts, County reserves the right to reduce its payment obligation under this Agreement, and the services to be provided by Contractor under this Agreement, correspondingly for that fiscal year and any subsequent fiscal year during the term of this Agreement, which reduction shall be accomplished pursuant to a Change Notice or Amendment in accordance with Paragraph 4 (Change Notices and Amendments). County's notice to Contractor regarding said reduction in payment obligation shall be provided within thirty (30) calendar days of the Board's approval of such actions. Contractor shall continue to provide all of the services set forth in this Agreement as reduced pursuant to the applicable Change Notice or Amendment. The foregoing shall not prevent Contractor from seeking payment for work performed by Contractor prior to the effective date of such termination or reduction in accordance with the terms hereof.

9. INVOICES AND PAYMENTS

9.1 Invoices

Contractor shall invoice County for Maintenance Fees quarterly, in advance. Contractor shall invoice County for Tasks, Subtasks, Deliverables, goods, services

and other work provided by Contractor under Paragraph 5.3 (Additional Work Request), in accordance with the applicable Payment Schedule, but only upon County's approval of such Tasks, Subtasks, Deliverables, goods, services and other work in accordance with Paragraph 2.4 (Approval of Work) and, if applicable, Paragraph 5.5 (Final Acceptance of Certain Additional Work).

9.1.1 Submission of Invoices

Contractor's invoice shall include the charges owed to Contractor by County under the terms of this Agreement as provided in Exhibit B (Schedule of Prices and Payments) and any applicable Payment Schedule. All invoices and supporting documents under this Agreement shall be submitted in duplicate (the original and one copy) to the following address:

*Treasurer and Tax Collector
500 West Temple Street, Room 464
Fiscal Services – Accounts Payable
Los Angeles, California 90012*

9.1.2 Invoice Details

Each invoice submitted by Contractor shall indicate, at a minimum:

1. The Tasks, Subtasks, Deliverables, goods, services or other work as described in Exhibit A (Scope of Work) and/or any Statement of Work for which payment is claimed.
2. The date and evidence of written approval, if applicable, of the Tasks, Subtasks, Deliverables, goods, services, or other work by County's Project Director.
3. Any amounts paid by Contractor for applicable transportation charges, related insurance charges, and sales/use taxes.
4. To the extent noticed by County, any applicable withheld amounts and/or holdbacks for payments claimed or reversals thereof.
5. To the extent noticed by County, any applicable credits due County under the terms of this Agreement or reversals thereof.

9.1.3 Approval of Invoices

All invoices submitted by Contractor to County for payment shall have the written approval of County's Project Director or his/her designee, which approval shall not be unreasonably withheld, prior to any payment thereof.

9.1.4 Invoice Discrepancies

County's Project Director will review each invoice for any discrepancies and will, within thirty (30) days of receipt pay all undisputed amounts thereof. In the event that County disputes any portion of any invoice, County will notify Contractor in

writing of any disputes or discrepancies found upon such review and submit a list of disputed charges. Contractor shall review the disputed charges and send a written explanation detailing the basis for the charges within thirty (30) days of receipt of County's notice of discrepancies and disputed charges.

9.2 Delivery of System Software; Transportation Charges

It is in the intent of the parties that to the extent available, individual Components of Additional System Software, including but not limited to Additional Software, Updates, Customizations and Third Party Software, and related Documentation, and any items or materials provided under Maintenance and Support or as Additional Work, shall be delivered (i) in electronic format (e.g., via electronic mail or Internet download), or (ii) personally by Contractor staff who may load the System Software and Documentation onto County's System Hardware but who will retain possession of all originals and copies of such tangible media (including CD-ROM, magnetic tape, printed manuals, etc.) used to deliver the System Software and Documentation to County.

Any System Components and Documentation provided or delivered by Contractor to County in a tangible format shall be F.O.B. Destination. Contractor's invoices shall include all amounts paid by Contractor (without any markup) for all transportation and related insurance charges, if any, on System Components and Documentation procured by County from Contractor pursuant to this Agreement and County will reimburse Contractor for the same. All transportation and related insurance charges, if any, shall be paid directly by Contractor to the applicable carrier. In the event that Contractor fails to pay such transportation or related insurance charges to the applicable carrier, and such amounts have been paid by County to Contractor, Contractor shall reimburse County for all amounts so paid by County and all costs associated therewith.

9.3 Sales/Use Tax

Contractor's invoices and, when possible, the applicable Payment Schedule shall include all amounts necessary for County to reimburse Contractor for all applicable California and other state and local sales/use taxes on all System Components and Documentation procured by County from Contractor pursuant to or otherwise due as a result of this Agreement. All California, other state and local sales/use taxes, if any, shall be paid directly by Contractor to the State or other applicable taxing authority. In the event that Contractor fails to pay such California, or other state or local sales/use taxes, and such taxes have been paid by County to Contractor, Contractor shall reimburse County for all amounts so paid by County and all costs associated therewith. Contractor shall be solely responsible for all taxes based on Contractor's income or gross revenue, or personal property taxes levied or assessed on Contractor's personal property to which County does not hold title.

9.4 County's Right to Withhold Payment

Notwithstanding any other provision of this Agreement, and in addition to any rights of County given by law or provided in this Agreement, County may upon written notice to Contractor, withhold payment otherwise due to Contractor hereunder

while Contractor is in material default hereunder, as reasonably determined by County's Project Director subject to the Dispute Resolution Procedure.

10. WARRANTIES AND CORRECTION OF DEFICIENCIES

10.1 Product and Services Warranties

10.1.1 Warranties During the Warranty Period

Contractor hereby warrants to County that unless otherwise mutually agreed with respect to a particular Change Notice or Amendment:

- A. During the period commencing upon County's commencement of Production Use of such Component in accordance with the applicable Statement of Work and continuing for so long as Contractor is obligated to perform Maintenance and Support in respect of such Component, each Component of Additional Software (other than Non-Hyland Third Party Software) shall perform in accordance with the Specifications, Functional Requirements and this Agreement without any Priority Level 1, 2 or 3 Deficiencies (it being understood that Contractor shall remedy Priority Level 4 Deficiencies in accordance with Attachment A.2 (Correction of Deficiencies)).
- B. During the period commencing on the Effective Date and continuing for so long as Contractor is obligated to perform Maintenance and Support in respect of the System, the System shall perform in accordance with the Performance Time Warranty when operated in accordance with the configuration recommended by Contractor and set forth in Exhibit B (Schedule of Prices and Payments) and at or below the loads and usage levels set forth in the Documentation and Specifications;
- C. During the period commencing on the Effective Date and continuing for so long as Contractor is obligated to perform Maintenance and Support in respect of the System, the System Components shall be capable of interconnecting and/or interfacing with each other and the System Components, when taken together, shall be capable of delivering all of the functionality as set forth in this Agreement (including, without limitation, the Recitals, Exhibit A (Scope of Work), any applicable Statement of Work with all Attachments thereto, and the Specifications) without any Priority Level 1, 2 or 3 Deficiencies (it being understood that Contractor shall remedy Priority Level 4 Deficiencies in accordance with Attachment A.2 (Correction of Deficiencies)).
- D. During the period commencing upon the Effective Date and continuing for the term of this Agreement, all services performed by Contractor under this Agreement, Exhibit A (Scope of Work) and each applicable Statement of Work shall be performed by or on behalf of Contractor by qualified personnel, in a professional and workmanlike manner and consistent with generally accepted industry standards.

10.1.2 Correction of Deficiencies During Warranty Period

For each Deficiency occurring during the Warranty Period with respect to any Component of Additional System Software (other than Non-Hyland Third Party Software), Contractor shall, at no cost to County above the applicable Maintenance

Fees, perform Maintenance and Support to remedy such Deficiency in accordance with the timeframes required by Attachment A.2 (Correction of Deficiencies) for the applicable Priority Level. For each Deficiency occurring during the Warranty Period with respect to any Component of Non-Hyland Third Party Software and/or Additional System Hardware, Contractor shall, at no cost to County, act as the primary point of contact with each third party manufacturer from initiation through resolution of any exercise of rights by County under the applicable third party manufacturer warranty described on Exhibit I (Non-Hyland Third Party Warranties) and shall coordinate all such resolution activities.

10.1.3 [Intentionally Omitted]

10.1.4 Third Party Software

If at any time the Additional System Software includes Third Party Software, Contractor shall at no cost to County, beyond the amount set forth in the applicable Change Notice or Amendment, obtain all necessary rights in such Third Party Software in order for the System to fully perform in accordance with the Specifications, Functional Requirements, and this Agreement.

10.2 Authorization Warranty

Contractor represents and warrants that the person executing this Agreement or any Amendment thereto pursuant to Paragraph 4 (Change Notices and Amendments) for Contractor is an authorized agent who has actual authority to bind Contractor to each and every term, condition and obligation of this Agreement, and that all requirements of Contractor have been fulfilled to provide such actual authority.

10.3 General Warranties and Covenants

Contractor represents, warrants and covenants that throughout the term of this Agreement:

- A. Contractor has the full power and authority to grant the License, ownership and all other rights granted by Contractor to County under this Agreement.
- B. No consent of any other person or entity is required by Contractor to grant the License, ownership and all other rights granted by Contractor to County under this Agreement, other than consents that have been obtained and are in effect.
- C. County is entitled to use the System without interruption, subject only to the terms of this Agreement and, with respect to the Existing Software only, the System Agreement, including but not limited to County's obligation to make the required payments under this Agreement.
- D. Without limiting Paragraph 16 (Intellectual Property Indemnification) in any respect, to the best of Contractor's knowledge as of the Effective Date neither the performance of this Agreement by Contractor, nor the use by County and its Users of the System in accordance with this Agreement will violate any non-disclosure agreement, nor constitute any infringement or other violation

of any copyright, trade secret, trademark, patent, or other intellectual property rights of any third party.

- E. (1) Contractor shall use reasonable precautions to prevent any unplanned interruption of the operations of, or accessibility to the System or any System Component due to any "virus", "lockup", "time bomb", or "key lock", "worm", "back door" or "Trojan Horse" device or program, or any disabling code, which has the potential or capability of: (i) compromising the security of County's confidential or proprietary information; (ii) causing any unplanned interruption of the operations of, or accessibility of the System or any System Component to County or any User; (iii) altering or inhibiting the use of the System, any System Component, or the data contained therein; or (iv) destroying the use of the System, any System Component, or the data contained therein (collectively in this Paragraph 10.3.E "Disabling Device(s)"). Contractor represents, warrants and agrees that it has not purposely placed, nor is it aware of, any Disabling Device on any System Component provided to County under this Agreement, nor shall Contractor knowingly permit any subsequently delivered System Component to contain any Disabling Device.
- (2) In addition, Contractor shall take reasonable precautions to prevent viruses from being incorporated or introduced into any of the System Software Components or updates or enhancements thereto, prior to delivery thereof to County, and to prevent any viruses from being incorporated or introduced in the process of Contractor's loading of System Software, or updates or enhancements thereto, or being introduced in the process of Contractor's performance of on-line support.
- (3) Upon installation of the System Software, including, without limitation, updates and enhancements thereto, at County's site, County assumes responsibility for protection against Disabling Devices inserted onto County's systems through no breach by Contractor or any subcontractor of this Paragraph 10.3.E. County may request that Contractor provide Additional Work to assist County in the event that a Disabling Device is detected on County's System through no breach by Contractor or any subcontractor of this Paragraph 10.3.E. Such request shall be treated as a request for Additional Work under Paragraph 5.3 (Additional Work Request).
- (4) Notwithstanding the foregoing, the provisions of this Paragraph 10.3 E(1)(ii) and (iii) do not apply to software mechanisms that are purposely designed to prevent access or use of programs beyond predetermined license limits, such as number of users or number of transactions, within software such as CAR/LAR/ARC Software.
- F. All the System Hardware shall be new or warranted as new, in good working order, in conformity with manufacturer's published specifications and descriptions, and free from defects in workmanship and materials, as more fully set forth in Exhibit A (Scope of Work) and any applicable Statement of Work with all Attachments thereto, as determined by County.

10.4 Warranty Pass-Through

Contractor shall assign to County to the fullest extent permitted by law and by contract, and shall otherwise ensure that the benefits of any applicable warranty, representation and/or indemnity offered by any manufacturer of any Component of Additional System Hardware and/or by any owner of any module and/or Component of Additional System Software or any other product or service provided hereunder, if any, shall fully extend to and be enjoyed by County. Therefore, Contractor hereby assigns to County, to such fullest extent permitted by law and contract, all warranties, representations and indemnities granted to Contractor by third party manufacturers and all remedies for breach of such warranties, representations and indemnities. Exhibit I (Non-Hyland Third Party Warranties) includes true and correct copies of all applicable third party manufacturers' and owners' warranties.

10.5 Disclaimer of Other Warranties

EXCEPT FOR THE EXPRESS WARRANTIES SET FORTH OR REFERENCED IN THIS AGREEMENT, CONTRACTOR (AND ITS LICENSORS AND MANUFACTURERS, IF APPLICABLE) HEREBY DISCLAIMS ALL OTHER WARRANTIES, EXPRESS, OR IMPLIED, INCLUDING THE IMPLIED WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, NON-INFRINGEMENT AND THOSE ARISING FROM A COURSE OF PERFORMANCE, A COURSE OF DEALING OR TRADE USAGE. CONTRACTOR DOES NOT WARRANT THAT THE OPERATION OF THE SYSTEM WILL BE UNINTERRUPTED OR ERROR FREE.

11. SYSTEM OWNERSHIP AND LICENSE

11.1 System Ownership

Contractor acknowledges that County owns all the System Hardware provided by Contractor under the System Agreement and/or this Agreement. Title to each Component of the Additional System Hardware shall automatically transfer from Contractor to County upon County's payment in full for such Component of Additional System Hardware, less any holdbacks and/or credits permitted in accordance with the terms of this Agreement.

The System Software provided to County pursuant to the System Agreement and/or this Agreement is and shall remain the property of Contractor or other provider. The Existing System Software is subject to the System Agreement and all System Software is subject to the License.

11.2 License

11.2.1 License Grant

Subject to Paragraph 11.1 (System Ownership), Contractor hereby grants to County:

A. A perpetual, non-exclusive license to use the Additional System Software,

other than the Non-Hyland Third Party Software, by all Users as provided in the remainder of this Paragraph 11.2; and

- B. A license to use the Non-Hyland Third Party Software, by all Users as provided in Exhibit J (Non-Hyland Third Party License).

The license granted under this Paragraph 11.2.1, together with the license to use the Existing System Software granted under the System Agreement, is collectively referred to as "License".

11.2.2 [Intentionally Omitted]

11.2.3 Scope of License

- A. The License granted by Contractor with respect to the Additional System Software, other than Non-Hyland Third Party Software, provides County with the following rights:
 - 1. The use of such System Software on the number of computers, servers, local area networks and wide area networks comprising the System Hardware and by the number of Users as specified in Exhibit B (Schedule of Prices and Payments); and
 - 2. To use, copy and display the Documentation for such System Software, including but not limited to System and User manuals, as necessary or appropriate for County to enjoy and exercise fully the rights granted under this Agreement and the License.
- B. The License granted by Contractor with respect to the Non-Hyland Third Party Software provides County with the rights set forth in Exhibit J (Non-Hyland Third Party License).

11.2.4 License Restrictions

- A. County shall not reverse engineer, disassemble or reverse compile the System Software, or encumber the System Software or transfer the System Software, or any of County's rights therein except as otherwise permitted hereunder.
- B. Except as expressly permitted under Paragraph 11.2.3 (Scope of License), County shall not copy or alter, and shall take reasonable care to ensure that others do not copy or alter, the System Software in whole or in part in any media for any purpose, except that County may make reasonable copies of the System Software for the purpose of daily backup or for off-premises storage in the event of a catastrophe. County will provide Contractor with the address of each catastrophe backup site. Contractor does not grant a license of the System Software for the commercial operation of a catastrophe backup site or for normal production use at a catastrophe backup site outside of a catastrophic event. However, Contractor does allow County to utilize the System Software during a catastrophic event at a catastrophe backup site or to establish County's own site for County's own specific catastrophe backup services. To every copy (whether in whole or in part) made by County for

the purposes stated above, County shall affix the same copyright or other proprietary rights notice as was originally affixed by Contractor to the System Software when delivered by Contractor.

- C. County shall safeguard the System Software, Documentation and related materials with the degree of care commensurate with reasonable industry standards of security for the protection of trade secrets and proprietary information, so that no unauthorized use is made of such items and no disclosure of any part of such items is made to anyone other than to County's employees, agents or consultants whose duties reasonably require such disclosure. County will make all such persons aware of their responsibility to fulfill these County obligations and County may be liable for any such person's failure to fulfill such obligations.
- D. To the extent that the License of the System Software is limited to specific computers, servers, local area networks and wide area networks comprising the System Hardware, in each case, as specified on Exhibit B (Schedule of Prices and Payments), County shall not transfer the System Software to other computers, servers, local area networks and/or wide area networks without Contractor's prior consent unless (i) for so long as Contractor is providing Maintenance and Support to County, County has accepted all Updates it is required to accept under Exhibit A (Scope of Work), (ii) for so long as Contractor is providing Maintenance and Support to County, County has accepted all Updates it is required to accept under Exhibit A (Scope of Work), the computers, servers, local area networks and/or wide area networks to which the System Software is being moved meets or exceeds minimum specifications, which shall be provided by Contractor upon County's request, and (iii) County removes the System Software from the previous computers, servers, local area networks and/or wide area networks.

11.3 Source Code

11.3.1 Source Code Escrow

- A. Pursuant to the System Agreement, Contractor and County have entered into (a) that certain Escrow Agreement, County Agreement No. 72749, dated as of June 6, 2000 (in this Paragraph 11.3 "DSI Escrow Agreement"), with DSI Technology Escrow Services, Inc. (in this Paragraph 11.3 "DSI"), and (b) that certain Additional "Licensee" Registration Form 2.1 and Escrow Agreement #5040, County Agreement No. 74501, adopted June 3, 2003 (in this Paragraph 11.3 "NSE Addendum"), with National Software Escrow, Inc. (in this Paragraph 11.3 "NSE"; together with DSI in this Paragraph 11.3, "Escrow Agents"), which amended that certain Software Escrow Agreement No. 5040, dated October 19, 1994 (together with the NSE Addendum in this Paragraph 11.3, the "NSE Escrow Agreement"), between Contractor and NSE. On or prior to the Effective Date, County, Contractor and Iron Mountain Incorporated, as successor to DSI under the DSI Escrow Agreement (in this Paragraph 11.3, "Iron Mountain"), shall have entered into an amendment to the DSI Escrow Agreement, pursuant to which, among other things, (i) the parties expressly extend the terms and conditions of the DSI Escrow Agreement to this Agreement and (ii) Iron Mountain expressly

assumes DSI's obligations under the DSI Escrow Agreement. Additionally, on or prior to the Effective Date, the applicable parties shall have entered into an amendment to the NSE Escrow Agreement which, among other things, (a) expressly extends the terms and conditions of the NSE Escrow Agreement to this Agreement, (b) requires Hyland, under certain conditions described in such amendment, to deposit with NSE, a new complete and accurate copy of the Source Code, and (c) includes the right of County, under certain conditions described in such amendment, to require Hyland to conduct a compilation test on the deposited Source Code to verify the relevance, completeness, accuracy, currency, and functionality of such Source Code. The DSI Escrow Agreement, as amended, and the NSE Escrow Agreement, as amended, are attached hereto as Exhibits H.1 and H.2, respectively, and are collectively referred to in this Paragraph 11.3 as the "Escrow Agreements".

- B. As of the Effective Date, Contractor has deposited or caused to be deposited with the applicable Escrow Agent, Source Code for all of the System Software other than Non-Hyland Third Party Software, and Contractor shall so maintain such deposit during the term of this Agreement. Additionally, during the term of this Agreement, Contractor shall continually update the Source Code by depositing or causing to be deposited with the applicable Escrow Agent, Source Code for all Additional System Software, other than Non-Hyland Third Party, promptly after delivery to County of the corresponding object code, provided that County is paying the applicable Maintenance Fees in accordance with the terms of this Agreement.
- C. Contractor shall maintain the Source Code in escrow subject to an escrow agreement under which County is a beneficiary for as long as this Agreement is in effect. Contractor may, by written notice to County, change either the Escrow Agent for the Source Code or the Escrow Agreement under this Agreement. Any such change (i) shall require execution of a replacement tri-party Escrow Agreement, in form and substance reasonably satisfactory to County, and (ii) shall require a Change Notice or Amendment, as applicable, under and in accordance with Paragraph 4 (Change Notices and Amendments).
- D. County will continue to pay applicable fees under the Escrow Agreements.

11.3.2 Release of Source Code

Upon the occurrence of (a) with respect to the Source Code on deposit with Iron Mountain, any of the events entitling County to deliver a "Notice of Access" under and as defined in the DSI Escrow Agreement, (b) with respect to the Source Code on deposit with NSE Escrow Agent, any of the events authorizing NSE Escrow Agent to provide County with access to such Source Code under and in accordance with the NSE Escrow Agreement, and/or (c) with respect to any Source Code on deposit with any replacement Escrow Agent, any of the events similarly entitling County to access such Source Code under and in accordance with any replacement Escrow Agreement (such events, collectively, "Release Condition(s)"), County shall have the right to use, modify, and copy the Source

Code for the sole purpose of fully exercising County's rights granted under this Agreement and the License, including but not limited to providing maintenance and support of the System Software or having one or more third parties provide maintenance and support services for the System Software; provided, however, that the County and such third parties shall maintain the Source Code in confidence as part of Contractor Materials. All derivative works of the Source Code created by County or third parties shall be owned by their respective creator or as otherwise agreed by County and such third parties. However, all exploitation of such derivative works is restricted to use for the purpose of allowing County to exercise its rights under this Agreement and the License.

12. [Intentionally Omitted]

13. SYSTEM USE

Provided that County is paying the applicable Maintenance Fees in accordance with the terms of this Agreement, following installation by Contractor and prior to Final Acceptance by County, County shall have the right to use, in a Production Use mode, any completed portion of the System, without any additional cost to County above such applicable Maintenance Fees. Any Production Use of a System Component for which there is an available test system that extends for a period of forty-five (45) days or more shall be deemed an Acceptance of the applicable System Component.

14. INDEMNIFICATION AND INSURANCE

14.1 Indemnification and Limitation of Liability

14.1.1 Indemnification

Contractor shall indemnify, defend, and hold harmless County, and its Special Districts, elected and appointed officers, employees, and agents (hereinafter in this Paragraph 14 "County"), from and against any and all liability, including but not limited to claims, demands, damages, liabilities, losses, costs, and expenses (including, but not limited to, reasonable attorney's fees), in any way arising from or related to claims and lawsuits for damages of any nature whatsoever, including, but not limited to, bodily injury, death, personal injury, or property damage arising from or related to Contractor, Contractor's agents', employees' or subcontractors' acts or omissions in the performance of services or provision of products hereunder, including, without limitation, any workers' compensation suits, liability or expense.

14.1.2 Limitation of Liability

A. IN NO EVENT SHALL EITHER PARTY BE LIABLE FOR ANY INDIRECT, INCIDENTAL, PUNITIVE, CONSEQUENTIAL, SPECIAL OR EXEMPLARY DAMAGES OF ANY KIND OR NATURE WHATSOEVER, INCLUDING WITHOUT LIMITATION, LOST PROFITS, LOSS OF BUSINESS, LOSS OF REVENUES, LOSS OF DATA OR INTERRUPTION OR CORRUPTION OF DATA, EVEN IF SUCH PARTY WAS ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

- B. EXCEPT FOR FRAUDULENT OR INTENTIONAL MISCONDUCT AND CONTRACTOR'S OBLIGATIONS UNDER PARAGRAPH 16 (INTELLECTUAL PROPERTY INDEMNIFICATION), IN NO EVENT SHALL EITHER PARTY'S MAXIMUM AGGREGATE LIABILITY RELATED TO OR IN CONNECTION WITH THIS AGREEMENT EXCEED THE TOTAL AMOUNT ACTUALLY PAID BY COUNTY TO CONTRACTOR DURING THE TWELVE (12) MONTHS IMMEDIATELY PRECEDING THE MONTH IN WHICH THE CLAIM FIRST AROSE, OR THE TOTAL AMOUNT ACTUALLY PAID BY COUNTY TO CONTRACTOR IF SUCH PAYMENTS HAVE BEEN MADE FOR LESS THAN TWELVE (12) MONTHS FROM WHEN THE CLAIM FIRST AROSE.
- C. Each party hereby waives its rights to bring any claim against the other party arising in any way from or relating in any way to this Agreement more than one (1) year after such claim first arises.
- D. THE LIMITATIONS SET FORTH IN THIS PARAGRAPH 14 WILL APPLY TO ANY AND ALL CLAIMS AND CAUSES OF ACTION WHATSOEVER, REGARDLESS OF WHETHER IN CONTRACT, TORT, STRICT LIABILITY OR OTHER THEORY.
- E. County acknowledges that Contractor has set its prices and entered into this Agreement in reliance upon the limitations of liability and the disclaimers of warranties and damages set forth herein, and that the same form an essential basis of the bargain between the parties. The parties agree that the limitations and exclusions of liability and disclaimers of warranties and damages specified in this Agreement will survive its termination.

14.2 Insurance

14.2.1 General Insurance Requirements

Without limiting Contractor's indemnification of County, Contractor shall, during the term of this Agreement provide and maintain, and shall require all of its subcontractors to maintain, the following programs of insurance specified in this Agreement. Such insurance shall be primary to and not contributing with any other insurance or self-insurance programs maintained by County, and such coverage shall be provided and maintained at Contractor's own expense.

14.2.2 Insurance Coverage Requirements

14.2.2.1 Insurance Programs

14.2.2.1.1 General Liability Insurance (written on ISO policy from CG 00 01 or its equivalent) with limits of not less than the following:

General Aggregate	\$2 million
Products/Completed Operations Aggregate	\$1 million
Personal and Advertising Injury	\$1 million
Each Occurrence	\$1 million

14.2.2.1.2 Automobile Liability Insurance (written on ISO policy form CA 00 01 or its equivalent) with a limit of liability of not less than \$1 million for each accident. Such insurance shall include coverage for all “owned”, “hired” and “non-owned” vehicles, or coverage for “any auto”.

14.2.2.1.3 Workers’ Compensation and Employers’ Liability Insurance providing workers’ compensation benefits, as required by the Labor Code of the State of California or by any other state, and for which Contractor is responsible. In all cases, the above insurance shall also include Employers’ Liability coverage with limits of not less than the following:

Each Accident	\$500,000
Disease - Policy Limit	\$500,000
Disease - Each Employee	\$500,000

14.2.2.1.4 Professional Liability

Insurance covering liability arising from any error, omission, negligent or wrongful act of Contractor, its officers or employees with limits of not less than \$1 million per occurrence and \$3 million aggregate.

14.2.2.2 Evidence of Insurance

Certificate(s) or other evidence of coverage satisfactory to County shall be delivered to: *Treasurer and Tax Collector, Contracts, 500 West Temple Street, Room 464, Los Angeles, CA 90012, Attention: Contracts Manager*, at least fifteen (15) days prior to commencing services under this Agreement. Such certificates or other evidence shall, at a minimum:

1. Specifically identify this Agreement;
2. Clearly evidence all coverages required in this Agreement;
3. Contain the express condition that County is to be given written notice by mail at least thirty (30) days in advance of cancellation for all policies evidenced on the certificate of insurance;
4. Include copies of the additional insured endorsement to the commercial general liability policy, adding the County of Los Angeles, its Special Districts, its officials, officers and employees as insured for all activities arising from this Agreement; and
5. Identify any deductibles or self-insured retentions for County’s approval.

14.2.2.3 Insurer Financial Ratings

Insurance is to be provided by an insurance company acceptable to County with an A.M. Best rating of not less than A:VII, unless otherwise approved by County. Notwithstanding the foregoing, Contractor’s current insurance company (as of the Effective Date) is acceptable to County, provided that continued acceptability is subject to any material adverse change in such insurance company.

14.2.2.4 Notification of Incidents, Claims or Suits

Contractor shall report to County:

1. Any accident or incident relating to services performed under this Agreement which involves injury or property damage which may result in the filing of a claim or lawsuit against Contractor and/or County. Such report shall be made in writing within twenty-four (24) hours of occurrence.
2. Any third party claim or lawsuit filed against Contractor arising from or related to services performed by Contractor under this Agreement.
3. Any injury to a Contractor employee which occurs on County property. This report shall be submitted on a "County Non-employee Injury Report" to County's Contract Administrator.
4. Any loss, disappearance, destruction, misuse or theft of any kind whatsoever of County property, monies or securities entrusted to Contractor under the terms of this Agreement.

14.2.2.5 Insurance Coverage Requirements for Subcontractors

All subcontractors performing work under this Agreement are subject to approval by County with respect to their respective insurance coverage. Contractor shall use reasonable efforts to provide County with copies of certificates of insurance from its subcontractors upon County's request therefor. Contractor shall immediately notify County's Project Director, in writing, of any subcontractor which refuses to provide any such insurance certificate. Without limiting County's rights under Paragraph 18 (Subcontracting), County shall have the right to disapprove of any subcontractor which refuses to provide any such insurance certificate. If County's disapproval of a subcontractor eliminates the sole source of goods or services provided by such disapproved subcontractor, Contractor may amend this Agreement to reduce or eliminate the provision of the affected goods or services.

14.2.3 Failure to Procure and Maintain Insurance

Failure by Contractor to procure and maintain the required insurance or to provide evidence of insurance coverage acceptable to County, shall constitute a material breach of the Agreement, upon which County may immediately terminate or suspend this Agreement.

15. PROPRIETARY CONSIDERATIONS

15.1 County Materials

- 15.1.1 All works of authorship, inventions, materials, plans, reports, data, and information originated and/or developed by County, together with all copyrights, patent rights, trade secret rights and other proprietary rights therein (collectively "County Materials"), shall be the sole property of County.

- 15.1.2 All works of authorship, inventions, materials, plans, reports, data, and information originated and/or developed by Contractor, together with all copyrights, patent rights, trade secret rights and other proprietary rights therein (collectively, "Contractor Materials"), shall be the sole property of Contractor.

15.2 Copyright Notice

Contractor shall not alter any copyright or proprietary notices on County Materials that County provides to Contractor.

15.3 Protection of Materials

Subject to Paragraph 20 (Confidentiality), each party shall take reasonable steps to protect the security of the County and Contractor Materials received from the other, which measures shall include precautions to protect against loss or damage by fire and theft. Subject to Paragraph 20 (Confidentiality), neither party shall reproduce, distribute or disclose to any person or entity any information identifying, characterizing or relating to any risk, threat, vulnerability, weakness or problem regarding data security in the other party's computer systems or any safeguard, countermeasure or contingency plan, policy or procedure for data security contemplated or implemented by a party without the other party's prior written consent.

15.4 License to County

Contractor hereby grants to County a nonexclusive, no cost license to use, the Contractor Materials that are provided to County hereunder, other than the System Software, related Documentation and Source Code, County's License of which is governed by Paragraph 11.2 (License).

16. INTELLECTUAL PROPERTY INDEMNIFICATION

Contractor agrees to indemnify County from any damages or liabilities payable to a third party resulting from an action brought by such third party against County alleging that the System Software as delivered to County hereunder infringes upon any U.S. patent, copyright or trade secret of the third party; provided that County provides Contractor with prompt written notice of any such action, allows Contractor sole control over the defense or settlement of such action, and reasonably assists Contractor, at Contractor's expense, in such defense or settlement. Notwithstanding the preceding sentence, County shall have the right to participate in any such defense at its sole cost and expense. Contractor will have no obligation to indemnify County, however, if the claim of infringement would not have arisen but for (a) County's or any third party's misuse or modification of the System Software not approved by Contractor; (b) County's failure to use corrections or enhancements made available to County without additional charge by Contractor; (c) any Third Party Software not approved or provided by Contractor; or (d) County's use of the System Software in combination with any product, software or information not owned, developed, approved, or provided by Contractor. If the System Software is, or in Contractor's opinion is likely to be, held to be infringing, Contractor may at its expense and option, either (i) procure for County the right to continue to use the System Software under this

Agreement; (ii) replace or modify the System Software such that it is non-infringing; or if (i) or (ii) are not commercially practical with respect to all Contractor's customers impacted by the infringement claim, (iii) terminate this Agreement and, upon County's return of the System Software, refund to County all amounts paid by County for the infringing System Software less a reasonable amount for County's use of the System Software up to the time of return based on a ten (10) year amortization beginning on the Effective Date of this Agreement. The foregoing remedies constitute County's sole and exclusive remedies and Contractor's sole and exclusive liability with respect to infringement.

17. PROHIBITION AGAINST ASSIGNMENT AND DELEGATION

- 17.1 Neither party may assign this Agreement or any of its respective rights and obligations under this Agreement without the express written consent of the other party before that assignment, which consent shall not be unreasonably withheld, except that Contractor may without the County's prior consent, and notwithstanding any provision herein to the contrary, assign this Agreement to a successor in ownership of all or substantially all of the assets of Contractor that relate to the subject matter hereof. Any assignment under this Paragraph 17.1 will not relieve the assigning party of its outstanding obligations, if any, incurred before the assignment. This Agreement shall be binding upon and inure to the benefit of the parties and their respective successors and permitted assigns. For purposes of this Paragraph 17, County's consent shall require a written Amendment to the Agreement, which is formally approved and executed by the parties pursuant to Paragraph 4 (Change Notices and Amendments). Any payments by County to any approved delegatee or assignee on any claim under this Agreement, in consequence of any such consent, shall be deductible, at County's reasonable discretion, against the claims which Contractor may have against County, whether under this Agreement or otherwise.
- 17.2 Shareholders, partners, members and/or other equity holders of Contractor may transfer, sell, exchange, assign or divest themselves of any interest they may have therein.
- 17.3 Contractor shall provide County with written notice of any sale, assignment, transfer, exchange or divestiture permitted without County's prior written consent under Paragraphs 17.1 and 17.2. To the extent legally permissible, such notice shall be delivered to County prior to the commencement of such sale, assignment, transfer, exchange or divestiture.
- 17.4 Except as permitted under Paragraphs 17.1 and 17.2, any assumptions, assignment, delegation or takeover of any of Contractor's duties, responsibilities, obligations or performance of same by any entity other than Contractor without County's express prior written approval, shall be a material breach of this Agreement which may result in the termination of the Agreement. In the event of such termination, County shall be entitled to pursue the same remedies against Contractor as it could pursue in the event of default by Contractor.

18. SUBCONTRACTING

- 18.1 No performance of this Agreement, or any portion thereof, shall be

subcontracted by Contractor without the prior written approval of County as provided in this Paragraph 18. Any attempt by Contractor to subcontract any performance under this Agreement without the prior written consent of County shall be null and void and may be deemed a material breach of this Agreement, upon which County may immediately terminate this Agreement. Notwithstanding the foregoing, no approval of County shall be required for Contractor to use the following subcontractors with respect to the applicable System Hardware: NCR Corporation, with a current address at 1700 S Patterson Boulevard, Dayton, OH 45479; Dot Hill Systems Corporation, with a current address at 2200 Faraday Avenue – Suite 100, Carlsbad, CA 92008; Eastman Kodak Company, with a current address at 343 State Street – Building 20, Rochester, NY 14650; and Hyland Software, Inc., 28500 Clemens Road, Westlake, OH 44145 (which collectively are referred to as the "Pre-Approved Subcontractor(s)").

- 18.2 County will review Contractor's request to subcontract and determine on a case-by-case basis whether or not to consent to such request, which consent shall not be unreasonably withheld.
- 18.3 Contractor shall indemnify, defend and hold harmless County, and its Special Districts, elected and appointed officers, employees and agents (hereinafter in this Paragraph 18 "County") pursuant to Paragraph 14.1.1 from and against any and all claims, demands, liabilities, damages, costs and expenses, including, but not limited to, reasonable attorney's fees, in any way arising from or related to Contractor's use of any subcontractor, including, without limitation, Pre-Approved Subcontractors.
- 18.4 Notwithstanding County's consent to any subcontracting, including, without limitation, in respect of Pre-Approved Subcontractors, Contractor shall remain fully responsible for any and all performance required of it under this Agreement, including those which Contractor has determined to subcontract. All subcontracts shall be made in the name of Contractor and shall not bind nor purport to bind County. Furthermore, County approval of any subcontract shall not be construed to limit in any way Contractor's performance, obligations, or responsibilities, to County, nor shall such approval limit any of County's rights or remedies contained in this Agreement with respect to breaches of Contractor.
- 18.5 County's consent to any subcontracting, including, without limitation, with respect to Pre-Approved Subcontractors, shall not waive County's rights under Paragraphs 3.3 (Approval of Contractor's Staff), 3.3.5 (Background and Security Investigations) and/or 14.2.2.5 (Insurance Coverage Requirements for Subcontractors).
- 18.6 Contractor shall be solely liable and responsible for any and all payments and other compensation to all subcontractors, and their officers, employees, agents, and successors in interest, for any services performed by subcontractors under this Agreement.
- 18.7 In the event that County consents to any subcontracting, such consent shall apply to each particular subcontract only and shall not be, or be construed to be, a waiver of this Paragraph 18 or a blanket consent to any further subcontracting.

- 18.8 County's Project Director is authorized to act for and on behalf of County with respect to approval of any subcontractor and subcontractor employees.
19. DISCLOSURE OF INFORMATION
- 19.1 Subject to Paragraphs 20.4 and 20.5 below, neither party shall disclose any details in connection with this Agreement, including but not limited to any of its terms or conditions or any circumstances which occur during the performance of this Agreement, to any person or entity, except as may be otherwise provided herein or required by law. In the event a party (in this Paragraph 19, the "receiving party") receives any court or administrative agency order, service of process, or request by any person or entity (other than the receiving party's professionals) for disclosure of any such details, the receiving party shall immediately notify the other party's Project Director. Thereafter, the receiving party shall comply with such order, process or request only to the extent required by applicable law. Notwithstanding the preceding sentence, to the extent permitted by law, the receiving party shall delay such compliance and cooperate with the other party to obtain relief from such obligations to disclose until the other party shall have been given a reasonable opportunity to obtain such relief.
- 19.2 However, in recognizing Contractor's need to identify its services and related clients to sustain itself, County shall not inhibit Contractor from publicizing its role under this Agreement under the following conditions:
1. Contractor shall develop all publicity material in a professional manner.
 2. During the term of this Agreement, Contractor shall not, and shall not authorize another to, publish or disseminate any commercial advertisements, press releases, feature articles, or other materials using the name of County without the prior written consent of County's Project Director, which consent shall not be unreasonably withheld.
 3. Contractor may, without the prior written consent of County, indicate in its proposals and sales that it has been awarded this Agreement with the County of Los Angeles, provided that the requirements of this Paragraph 19 shall apply.
- 19.3 Notwithstanding any other provision of this Agreement, either party may disclose information about the other which (i) is lawfully in the public domain at the time of disclosure through no act or omission of such party, (ii) is disclosed with the prior written approval of the party to which such information pertains, or (iii) is required by law to be disclosed.
20. CONFIDENTIALITY
- 20.1 Subject to Paragraphs 20.4 and 20.5 below, each party shall maintain the confidentiality of all of the other party's records, data and information, including, but not limited to, County Materials, Contractor Materials, billing and County records (collectively, "Confidential Information"), in accordance with all applicable Federal, State and County laws, regulations, ordinances and directives relating to confidentiality.

A party's Confidential Information shall not include information that: (i) is or becomes part of the public domain through no act or omission of the other party; (ii) was in the other party's lawful possession prior to the disclosure and had not been obtained by the other party either directly or indirectly from the disclosing party; (iii) is lawfully disclosed to the other party by a third party without restriction on the disclosure; or (iv) is independently developed by the other party.

- 20.2 Contractor shall inform all of its officers, employees, agents and subcontractors performing work hereunder of the confidentiality provisions of this Agreement. Prior to commencing work under this Agreement, each of Contractor's officers, employees, agents and subcontractors performing work hereunder has executed Contractor's standard confidentiality agreement sufficient to bind such officers, employee, agent or subcontractor to the confidentiality and non-disclosure provisions of this Agreement. Prior to commencing work under this Agreement, Contractor shall have obtained executed agreements from its employees and agents performing work hereunder which, in summary, acknowledge that all work performed by such employee or agent is proprietary to Contractor.

Contractor shall indemnify, defend and hold harmless County, and its Special Districts, elected and appointed officers, employees, and agents (hereinafter in this Paragraph 20 "County"), from and against any and all loss, damage, liability, and expense, including, but not limited to, reasonable attorney's fees, arising from any disclosure of such records and information by Contractor, its officers, employees, or agents, except for any disclosure authorized by this Paragraph 20.

- 20.3 With respect to any identifiable information concerning any person that is obtained by Contractor or any other records and information, Contractor shall: (1) not use any such records or information for any purpose whatsoever other than carrying out the express terms of this Agreement; (2) promptly transmit to County all requests for disclosure of any such records or information; (3) not disclose, except as otherwise specifically permitted by this Agreement, any such records or information to any person or organization other than County without County's prior written authorization that the records are, or information is, releasable; and (4) at the expiration or termination of this Agreement, return all such records and information to County or maintain such records and information according to the written procedures sent to Contractor by County for this purpose.

- 20.4 Any and all Contractor Materials or other Confidential Information which Contractor desires to use hereunder, and which Contractor considers to be proprietary or confidential, must be specifically identified by Contractor to County's Project Director as proprietary or confidential, and shall be plainly and prominently marked by Contractor as "PROPRIETARY" or "CONFIDENTIAL". County will use reasonable means to ensure that the Contractor Materials and other Confidential Information so marked are safeguarded and held in confidence. Further, County agrees not to reproduce, distribute or disclose to non-County entities (other than outside counsel or consultants subject to non-disclosure agreements or obligations) any such Contractor Materials and/or other Confidential Information without the prior written consent of Contractor or as required by law or pursuant to the Dispute Resolution Procedure.

- 20.5 Any items submitted by Contractor become a matter of public record and shall be regarded as public records. Exceptions will be those elements in the California Government Code Section 6250 et seq. (Public Records Act) and which are marked "trade secret", "confidential" or "proprietary". The County shall not in any way be liable or responsible for the disclosure of any such records including, without limitation, those so marked, if disclosure is required by law or by an order issued by a court of competent jurisdiction.
1. In the event County is required to defend an action on a Public Records Act request for any of the aforementioned documents, information, books, records and/or elements marked "trade secret", "confidential" or "proprietary", Contractor agrees to defend and indemnify County from all costs and expenses, including reasonable attorney's fees, in action or liability arising under the Public Records Act. County shall provide Contractor with written notice prior to commencing County's defense with respect to any such action.
 2. Notwithstanding any other provision of this Agreement, County shall not be obligated in any way under this Agreement for:
 - i. Any disclosure of any materials which County is required by an agency or court of competent jurisdiction to make under the California Public Records Act or otherwise by law; and
 - ii. Any Contractor Materials and/or other Contractor Confidential Information not marked in accordance with Paragraph 20.4.
- 20.6 The parties acknowledge that a breach of this Paragraph 20 may result in irreparable injury to the non-breaching party that may not be adequately compensated by monetary damages and that, in addition to the non-breaching party's other rights under this Paragraph 20 and at law and in equity, the non-breaching party shall have the right to injunctive relief to enforce the provisions of this Paragraph 20.
21. TERMINATION FOR DEFAULT
- 21.1 County may terminate this Agreement upon written notice to Contractor if Contractor materially breaches this Agreement and, unless a shorter cure period is expressly provided in this Agreement, fails to cure such breach within thirty (30) days following receipt of written notice specifying the breach in detail.
- Except for a material breach for non payment of non-disputed amounts which must be cured within sixty (60) days, Contractor may terminate this Agreement upon written notice to County if County materially breaches this Agreement and fails to cure such breach within one hundred eighty (180) days following receipt of written notice specifying the breach in detail.
- 21.2 In the event that County terminates this Agreement as provided in Paragraph 21.1 or in Paragraph 23 (Termination for Insolvency), then:
1. Contractor shall promptly return to County any and all of County's Confidential Information provided to Contractor hereunder;
 2. Contractor shall transfer and deliver to County all completed work and work

in progress, in a media reasonably requested by County;

3. County shall have the right to continued use of all object code versions of the System Software for the term of the License; and County shall have the right to allow its employees, contractors and all Users to utilize such object code versions and related Documentation; and
4. Provided that a Release Condition has occurred and County has received the Source Code from the applicable Escrow Agent, County shall have all the rights set forth in Paragraph 11.3.2 (Release of Source Code from Escrow).

21.2 In the event that Contractor terminates this Agreement as provided in Paragraph 21.1 or Paragraph 8 or County terminates this Agreement as provided in Paragraph 22, then:

1. Subject to County's rights under the License, County shall promptly return to Contractor any and all of Contractor's confidential information provided to County hereunder; and
2. County shall return to Contractor any Additional System Components for which Contractor has not received payment in full in accordance with the terms of this Agreement.

21.3 Notwithstanding anything to the contrary herein, in the event of termination of this Agreement for any reason, (1) each party shall remain liable for any undisputed amounts owed to the other for products or services rendered prior to such termination, in each case, in accordance with the terms of this Agreement, and (2) County understands that licenses to Third Party Software provided hereunder may terminate on the date of termination of this Agreement.

21.4 Provided that County is not in arrears with respect to any undisputed fees due and owing to Contractor under this Agreement and remains current in the payment of such fees, then if and for so long as elected by Director, Contractor shall use commercially reasonable efforts to provide County with "Transition Services" as are reasonably necessary to permit County to transition to another remittance processing and/or document imaging system and related service provider. Transition Services will include: (a) upon payment of the applicable fees described in the remainder of this Paragraph 21.4, the continuation of maintenance and support services for a period not to exceed six (6) months from the effective date of expiration or termination of this Agreement; and (b) such other and additional consulting services as may be agreed by the parties. Continuation of maintenance and support services shall be available to County at Contractor's then-current published monthly rates for maintenance and support services and additional consulting services shall be available to County at Contractor's then-current published hourly rates for such additional consulting services. Continuation of maintenance and support services may be elected, and paid for, by County on a month-to-month basis.

21.5 If, after County has given notice of termination under the provisions of this Paragraph 21, it is determined by County that Contractor was not in default, or that the default was excusable, the rights and obligations of the parties shall be the same as if the notice of termination had been issued pursuant to Paragraph 22 (Termination for Convenience).

21.6 The rights and remedies provided in this Paragraph 21 shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Agreement.

22. TERMINATION FOR CONVENIENCE

22.1 County may terminate this Agreement when County deems such action to be in its best interest; provided that termination of each Additional Work Request and its related Change Notice or Amendment, as the case may be, shall be further subject to Paragraph 22.4. Termination of work under this Paragraph 22.1 shall be effected by notice of termination to Contractor specifying the extent to which performance of work is terminated and the date upon which such termination becomes effective, which shall be no less than thirty (30) calendar days after the notice is sent. In the event County has purported to terminate this Agreement for default by notice pursuant to Paragraph 21 (Termination for Default) and it has later been determined that Contractor was not in default, no additional notice shall be required upon such determination.

22.2 Additionally, County may terminate Maintenance and Support with respect to all of the System Hardware and System Software for either the remittance processing system or the document imaging system when County deems such action to be in its best interest. County may terminate work under this Paragraph 22.2 only if such termination is effective as of January 1 of a calendar year occurring subsequent to the notice of termination delivered under this Paragraph 22.2. Termination of work under this Paragraph 22.2 shall be effected by notice of termination to Contractor specifying the extent to which performance of work is terminated and the date upon which such termination becomes effective.

22.3 After receipt of a notice of termination, and except as otherwise directed by County:

1. Contractor shall stop work under this Agreement on the date and to the extent specified in such notice;
2. Contractor shall return to County any and all of County's confidential information and the County Materials (as defined in Paragraph 15.1 (County Materials)) that relate to that portion of the Agreement and work terminated by County;
3. Contractor shall transfer and deliver to County all completed work and work in progress, including title to all System Hardware; and
4. Contractor shall complete performance of such part of the work as was not terminated by such notice.

22.4 County may, at its convenience, cancel or postpone a Change Notice or Amendment calling for the provision of software or hardware (referred to in this Paragraph 22.4 as the "Ordered Products") by Contractor, subject to the following terms, provided however, that such terms will not apply to County's cancellation or termination of a Change Notice or Amendment due to a breach by Contractor:

- A. County may cancel any Change Notice or Amendment at any time prior to

shipment of the Ordered Products from Contractor's facilities. In such event, County agrees to pay a cancellation fee not to exceed twenty-five percent (25%) of the purchase price of the Ordered Products, plus all fees, expenses and personnel costs incurred by Contractor up to the cancellation date. Contractor shall have the right to offset such fees and expenses against any down payment amount received from County.

- B. County may cancel a portion of any Change Notice or Amendment, including the cancellation of specific pieces of Ordered Products from any Change Notice or Amendment, at any time prior to shipment of the Ordered Products from Contractor's facilities. All such partial cancellations will be subject to County's payment of a restocking fee not to exceed fifteen percent (15%) of the total of all items cancelled, plus all fees, expenses and personnel costs incurred by Contractor up to the partial cancellation date.
- C. Following the execution of this Agreement and a Change Notice or Amendment, County and Contractor will mutually agree to an installation date for the Ordered Products, which will be documented in an applicable Statement of Work. County may postpone this installation date one time for no fee, by giving Contractor ninety (90) days prior written notice of such postponement. In the event that County (i) postpones any Change Notice or Amendment more than one time; or (ii) gives Contractor less than ninety (90) days notice of the first postponement, County agrees to pay a postponement fee not to exceed fifteen percent (15%) of the total cost of the Change Notice or Amendment.

22.5 After receipt of a notice of termination, cancellation, or postponement, Contractor shall submit to County, in the form and with any certifications as may be reasonably prescribed by County, Contractor's termination claim and invoice, together with documentation supporting the fees, expenses, personnel and other costs set forth in such claim and invoice. Such claim and invoice shall be submitted promptly, but no later than ninety (90) days from the effective date of termination.

23. TERMINATION FOR INSOLVENCY

23.1 County may terminate this Agreement immediately at any time upon the occurrence of any of the following:

- 1. Insolvency of Contractor. Contractor shall be deemed to be insolvent if it has ceased to pay or has admitted in writing its inability to pay its debts for at least sixty (60) days in the ordinary course of business or cannot pay its debts as they become due, whether or not a petition has been filed under the United States Bankruptcy Code and whether or not Contractor is insolvent within the meaning of the United States Bankruptcy Code, provided that Contractor shall not be deemed insolvent if it has ceased in the normal course of business to pay its debts which are disputed in good faith and which are not related to this Agreement as determined by County;
- 2. The filing of a voluntary or involuntary petition to have Contractor declared bankrupt, where the involuntary petition is not dismissed within sixty (60) days;

3. The appointment of a receiver or trustee for Contractor; or
 4. The execution by Contractor of a general assignment for the benefit of creditors.
- 23.2 The rights and remedies of County provided in this Paragraph 23 shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Agreement.
- 23.3 Contractor agrees that if Contractor as a debtor-in-possession, or if a trustee in bankruptcy, rejects this Agreement, County may elect to retain its rights under this Agreement, as provided under Section 365(n) of the United States Bankruptcy Code (11 United States Code, Section 365(n)). Upon written request of County to Contractor or the trustee in bankruptcy, as applicable, Contractor or such trustee shall allow County to exercise all of its rights and benefits under this Agreement including, without limitation, such Section 365(n) (including, without limitation, the right to continued use of the System Software (other than Non-Hyland Third Party Software) and related Documentation), and shall not interfere with the rights and benefits of County as provided therein. The foregoing shall survive the termination or expiration of this Agreement for any reason whatsoever.
24. TERMINATION FOR IMPROPER CONSIDERATION
- 24.1 County may, by written notice to Contractor, immediately terminate the right of Contractor to proceed under this Agreement if it is found that consideration, in any form, was offered or given by Contractor, either directly or through an intermediary, to any County officer, employee or agent with the intent of securing this Agreement or securing favorable treatment with respect to the award, Amendment or extension of the Agreement or the making of any determinations with respect to Contractor's performance pursuant to this Agreement. In the event of such termination, County shall be entitled to pursue the same remedies against Contractor as it could pursue in the event of default by Contractor.
- 24.2 Contractor shall immediately report any attempt by a County officer or employee to solicit such improper consideration. The report shall be made either to County's manager charged with the supervision of the employee or to County's Auditor-Controller Employee Fraud Hotline at (213) 974-0914 or (800) 544-6861.
- 24.3 Among other items, such improper consideration may take the form of cash, discounts, services, the provision of travel or entertainment, or tangible gifts.
25. TERMINATION FOR GRATUITIES
- County may, by written notice to Contractor, terminate the right of Contractor to proceed under this Agreement upon one (1) calendar day's notice, if it is found that gratuities in the form of entertainment, gifts, or otherwise were offered or given by Contractor, or any agent or representative of Contractor, to any officer, employee, or agent of County with a view toward securing an agreement or securing favorable treatment with respect to the awarding or amending, or the making of any determinations with respect to the performing, of such agreement. In the event of such termination, County shall be entitled to pursue the same remedies

against Contractor as it could pursue in the event of default by Contractor.

26. RECORDS AND AUDITS

- 26.1 Contractor shall maintain reasonable financial records of its activities and operations relating to this Agreement in accordance with generally accepted accounting principles. No more than once per calendar year and upon at least five (5) business days prior written notice, an independent auditor mutually acceptable to the parties, may have access to and the right to examine and audit the records relating to this Agreement to verify the amounts owed by County to Contractor. The auditor will share the results of the audit with County, but no records, documents, or materials of Contractor upon which the audit was based. County will pay the expenses and charges of the auditor, unless such audit uncovers an error equal to or greater than a seven (7%) percent overcharge, in which case Contractor will reimburse County for the expenses and charges of the auditor. Contractor will reimburse County for the overcharge uncovered by any such audit, irrespective of the percentage of the overcharge.
- 26.2 Beginning one (1) year after the Effective Date and every year thereafter, until the termination of this Agreement, Contractor shall submit to County a copy of its annual audited financial statement as prepared by its accountants in the normal course of business, provided, however, that no copy of the same shall be provided to the County until such time as Director has executed a separate confidentiality agreement governing the use and disclosure of such annual audited financial statement under such terms and conditions reasonably determined by Contractor, but which terms and conditions shall be no broader or onerous than the terms and conditions of Paragraph 20 (Confidentiality).
- 26.3 In the event that an audit is conducted of Contractor specifically regarding this Agreement by any Federal or State auditor then Contractor shall file a copy of such audit report with County's Auditor-Controller within thirty (30) days of Contractor's receipt thereof, unless otherwise provided by applicable Federal or State law or under this Agreement. County will make a reasonable effort to maintain the confidentiality of such audit report(s).
- 26.4 If, at any time during or within five (5) years after the expiration or termination of this Agreement, an audit under Paragraph 26.1 finds that County's dollar liability for such work is less than payments made by County to Contractor, then the difference, shall, at County's sole discretion, either be (i) reimbursed to County in the form of a payment; or (ii) deducted from any amounts due to Contractor from County, whether under this Agreement or otherwise. If such audit finds that County's dollar liability for such work is more than payments made by County to Contractor, then the difference shall be paid by County to Contractor, provided that in no event shall County's payments to Contractor exceed the Contract Sum identified in Paragraph 8 (Contract Sum).
- 26.5 Failure on the part of Contractor to comply with any of the provisions of this Paragraph 26 shall constitute a material breach of this Agreement upon which County may terminate or suspend this Agreement.

27. INDEPENDENT CONTRACTOR STATUS

- 27.1 This Agreement is by and between County and Contractor and is not intended and shall not be construed to create the relationship of agent, servant, employee, partnership, joint venture or association as between County and Contractor. The employees and agents of one party are not and shall not be, or construed to be, the employees or agents of the other party for any purpose whatsoever. Contractor shall function as, and in all respects is, an independent contractor.
- 27.2 Contractor shall be solely liable and responsible for providing to, or on behalf of, all persons performing work pursuant to this Agreement, all compensation and benefits. County shall have no liability or responsibility for the payment of any salaries, wages, unemployment benefits, disability benefits, Federal, State, or local taxes, or other compensation, benefits, or taxes for any personnel provided by or on behalf of Contractor.
- 27.3 Contractor understands and agrees that all persons performing work pursuant to this Agreement are, for purpose of workers' compensation liability, the sole employees of Contractor and not employees of County. Contractor shall be solely liable and responsible for providing all workers' compensation insurance and benefits, liability insurance, employer taxes, compensation, and benefits to, or on behalf of, all persons performing work pursuant to this Agreement.
- 27.4 Notwithstanding the provisions of this Paragraph 27, the employees and agents of Contractor shall, while on the premises of County, comply with all rules and regulations of the premises, including, but not limited to, security requirements.

28. WARRANTY AGAINST CONTINGENT FEES

- 28.1 Contractor represents and warrants that no person or selling agency has been employed or retained to solicit or secure this Agreement upon any agreement or understanding for a commission, percentage, brokerage or contingent fee, excepting bona fide employees or bona fide established commercial or selling agencies maintained by Contractor for the purpose of securing business.
- 28.2 For breach of this warranty, County shall have the right to terminate this Agreement for default and deduct from the Agreement price or consideration, or otherwise recover, the full amount of such commission, percentage, brokerage or contingent fee.

29. [Intentionally Omitted]

30. CONFLICT OF INTEREST

- 30.1 No County employee whose position with County enables such employee to influence the award of this Agreement or any competing agreements, and no spouse or economic dependent of such employee, shall be employed in any capacity by Contractor or have any other direct or indirect financial interest in this Agreement. No officer or employee of Contractor, who may financially benefit from the performance of work hereunder, shall in any way participate in County's approval or ongoing evaluation of such work, or in any way attempt to unlawfully

influence County's approval or ongoing evaluation of such work.

30.2 Contractor shall comply with all conflict of interest laws, ordinances and regulations now in effect or hereafter to be enacted during the term of this Agreement. Contractor warrants that it is not now aware of any facts which do or could create a conflict of interest. If Contractor becomes aware of any facts, which might reasonably be expected to create a conflict of interest, it shall immediately make full written disclosure of such facts to County. Full written disclosure shall include, but is not limited to, identification of all persons implicated and a complete description of all relevant circumstances.

30.3 Failure to comply with the provisions of this Paragraph 30 shall be a material breach of this Agreement.

31. COUNTY'S QUALITY ASSURANCE PLAN

County, or its agent, at County's sole expense, will evaluate Contractor's performance under this Agreement on not less than an annual basis. Such evaluation will include assessing Contractor's compliance with the terms, conditions and performance standards of this Agreement. Contractor deficiencies, which County determines are severe or continuing and that may place performance of this Agreement in jeopardy, if not corrected, will be reported to County's Board of Supervisors along with a notice to Contractor. The report will include improvements and/or corrective action measures taken by County and Contractor. If improvement does not occur consistent with the corrective action measures within thirty (30) days of County's notice of Contractor deficiencies, County may, at its sole option, terminate this Agreement, in whole or in part, pursuant to Paragraph 21 (Termination for Default) or Paragraph 22 (Termination for Convenience).

32. FORCE MAJEURE

32.1 Except with respect to defaults of any subcontractor(s), Contractor shall not be liable for reasonable delays in the completion of work under this Agreement, if its failure to perform arises out of, and only, fires, floods, epidemics, quarantine restrictions, other natural disasters or occurrences, strikes, slowdowns or other labor related delays, freight embargoes or other actions or decrees of governmental bodies, but in every such case the failure to perform must be beyond the control and without any fault or negligence of Contractor.

32.2 If the failure to perform is caused by the default of a subcontractor, and if such default arises out of causes beyond the control of both Contractor and subcontractor, and without any fault or negligence of either of them, Contractor shall not be liable for reasonable delays in the completion of the work, unless the goods and/or services to be furnished by the subcontractor were obtainable from other sources in sufficient time to permit Contractor to meet the required schedule. Contractor agrees to use all reasonable commercial efforts to obtain such goods or services from other sources. As used in this Paragraph 32, the term "subcontractor" and "subcontractors" mean subcontractor(s) at any tier.

32.3 Notwithstanding anything herein to the contrary, County shall not be liable for any

additional costs incurred by Contractor, or any subcontractor hereto arising out of or resulting from such *force majeure* event.

33. UNLAWFUL SOLICITATION

Contractor shall inform all of its employees who provide services hereunder of the provisions of Article 9 of Chapter 4 of Division 3 (commencing with Section 6150) of California Business and Professions Code (i.e., State Bar Act provisions regarding unlawful solicitation as a runner or capper for attorneys) and shall take positive and affirmative steps in its performance hereunder to ensure that there is no violation of such provisions by its employees. Contractor shall utilize the attorney referral service of all those bar associations within Los Angeles County that have such a service.

34. RESOLICITATION OF BIDS AND PROPOSALS

34.1 Contractor acknowledges that, prior to the expiration or earlier termination of this Agreement, County, in its sole discretion, may exercise its right to invite bids or request proposals for the continued provision of the goods and services delivered or contemplated under this Agreement, subject to Contractor's intellectual property rights and License rights granted hereunder. The Department shall make the determination to re-solicit bids or request proposals in accordance with applicable County and the Department policies.

34.2 Contractor acknowledges that County, in its sole discretion, may enter into an agreement for the future provision of goods and services, based upon the bids or proposals received, with a provider or providers other than Contractor, subject to Contractor's intellectual property rights and License rights granted hereunder. Further, Contractor acknowledges that it obtains no greater right to be selected through any future invitation for bids or request for proposals by virtue of its present status as Contractor.

35. COMPLIANCE WITH APPLICABLE LAWS

35.1 Contractor's activities hereunder shall comply with all applicable Federal, State, and local laws, rules, regulations, ordinances, guidelines and directives, and all provisions required thereby to be included in this Agreement are hereby incorporated herein by reference. Contractor shall have up to thirty (30) days to correct any noncompliance with County rules, regulations, ordinances, guidelines and directives following written notice from County including written copies of such applicable rules, regulations, ordinances, guidelines and/or directives.

35.2 Contractor shall indemnify, defend and hold harmless County, and its Special Districts, elected and appointed officers, employees, and agents (hereinafter in this Paragraph 35 "County"), from and against any and all claims, demands, damages, liabilities, losses, costs and expenses, including, but not limited to, reasonable attorney's fees, arising from or related to any violation on the part of Contractor, its employees, agents or subcontractors of any such laws, rules, regulations, ordinances, guidelines or directives. Any legal defense pursuant to Contractor's indemnification obligations under this Paragraph 35.2 shall be conducted by Contractor and performed by counsel selected by Contractor. Notwithstanding the preceding sentence, County shall have the right to participate in any such defense

at its sole cost and expense, except that in the event Contractor fails to provide County with a full and adequate defense, as required by law or this Agreement, County shall be entitled to reimbursement for all such costs and expenses.

36. FAIR LABOR STANDARDS

Contractor shall comply with all applicable provisions of the Federal Fair Labor Standards Act, and shall indemnify, defend and hold harmless County, and its Special Districts, officers, employees and agents (hereinafter in this Paragraph 36 "County"), from any and all liability, including, but not limited to, wages, overtime pay, liquidated damages, penalties, court costs and attorneys' fees arising under, any wage and hour law, including, but not limited to, the Federal Fair Labor Standards Act, for work performed by Contractor's employees for which County may be found jointly or solely liable.

37. NONDISCRIMINATION AND COMPLIANCE WITH CIVIL RIGHTS LAWS

37.1 Contractor certifies and agrees that all persons employed by it, its affiliates, subsidiaries and holding companies will be treated equally without regard to or because of race, color, religion, ancestry, national origin, sex, age, physical or mental handicap, marital status, sexual orientation or political affiliation, in compliance with all applicable Federal and State anti-discrimination laws and regulations.

37.2 Contractor shall, pursuant to County Code Section 4.32, certify to and comply with the provisions of the Contractor's EEO Certification (Exhibit E).

37.3 Contractor shall take affirmative action to ensure that applicants and employees are treated equally during employment, without regard to race, color, religion, ancestry, national origin, sex, age, physical or mental handicap, marital status or political affiliation, in compliance with all applicable Federal and State anti-discrimination laws and regulations. Such action shall include, but is not limited to: employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other forms of compensation, and selection for training, including apprenticeship.

37.4 Contractor certifies and agrees that it will deal with its subcontractors, bidders or vendors without regard to or because of race, color, religion, ancestry, national origin, sex, age, physical or mental handicap, marital status, sexual orientation or political affiliation, except to the extent necessary to comply with applicable Federal and State anti-discrimination laws and regulations.

37.5 Contractor certifies that it, its affiliates, subsidiaries and holding companies are in compliance with all Federal, State, and local laws, including, but not limited to:

1. Title VII, Civil Rights Act of 1964;
2. Section 504, Rehabilitation Act of 1973;
3. Age Discrimination Act of 1975;
4. Title IX, Education Amendments of 1973, as applicable; and
5. Title 43, Part 17, Code of Federal Regulations, Subparts A & B,

and that no person shall, on the grounds of race, creed, color, national origin, political affiliation, marital status, sex, age or handicap, be subject to discrimination as to any privileges or uses gained under this Agreement or under any project, program or activity supported by this Agreement.

37.6 If County finds that any of the provisions of this Paragraph 37 have been violated, such violation shall, at the election of County, constitute a material breach of this Agreement upon which County may terminate or suspend this Agreement. While County reserves the right to determine independently that the anti-discrimination provisions of this Agreement have been violated, in addition, a determination by the California Fair Employment Practices Commission or the Federal Equal Employment Opportunity Commission that Contractor has violated State or Federal anti-discrimination laws or regulations shall constitute a finding by County that Contractor has violated the anti-discrimination provisions of this Agreement.

37.7 The parties agree that in the event Contractor is found to have violated the anti-discrimination provisions of this Agreement, and that such discrimination was directly associated with the performance of services provided under this Agreement, County may require, pursuant to County Code Section 4.32.010 (E), that Contractor pay the sum of Five Hundred Dollars (\$500) for each such violation, in lieu of terminating or suspending this Agreement, as liquidated damages are extremely difficult to ascertain or calculate precisely. In the alternative, County may elect to terminate this Agreement pursuant to Paragraph 21 (Termination for Default).

38. [Intentionally Omitted]

39. CONSIDERATION OF HIRING COUNTY EMPLOYEES TARGETED FOR LAYOFF/ON RE-EMPLOYMENT LIST

Should Contractor require additional or replacement personnel after the Effective Date to perform the work set forth herein, Contractor shall give consideration for such employment openings to qualified permanent County employees who are targeted for layoff and qualified former County employees who are on a re-employment list during the term of this Agreement; provided that County provides Contractor a copy of such list.

40. RESTRICTIONS ON LOBBYING

40.1 Federal Funds Projects

If any Federal funds are to be used to pay portion for any of Contractor's work under this Agreement, Contractor shall fully comply with all certification and disclosure requirements prescribed by Section 319 of Public law 101-121 (31 United States Code Section 1352) and any implementing regulations, and shall ensure that each of its subcontractors receiving funds provided under this Agreement also fully complies with all such certification and disclosure requirements.

40.2 County Projects

Contractor, and each County lobbyist or County lobbying firm, as defined in County Code Section 2.160.010, retained by Contractor, shall fully comply with County's Lobbyist Ordinance, County Code Chapter 2.160. Failure on the part of Contractor or any County lobbyist or County lobbying firm retained by Contractor to fully comply with County Lobbyist Ordinance shall constitute a material breach of this Agreement, upon which County may immediately terminate or suspend this Agreement.

41. EMPLOYMENT ELIGIBILITY VERIFICATION

41.1 Contractor warrants that it fully complies with all Federal and State statutes and regulations regarding employment of aliens and others and that all its employees performing services under this Agreement meet the citizenship or alien status requirements contained in Federal and State statutes and regulations, including but not limited to, the Immigration Reform and Control Act of 1986 (P.L. 99-603).

41.2 Contractor shall obtain from all employees performing under this Agreement, prior to commencing any work hereunder, all verifications and other documentation of employment eligibility status required by Federal statutes and regulations as they currently exist and as they may be hereafter amended. Contractor shall retain such documentation for the period prescribed by law.

41.3 Contractor shall indemnify, defend, and hold harmless County, its officers, employees and agents from and against any and all claims, demands, damages, liabilities, losses, costs, and expenses, including, but not limited to, reasonable attorney's fees, arising out of or in connection with any employer sanctions and any other liability which may be assessed against Contractor or County in connection with any alleged violation of any Federal or State statutes or regulations pertaining to the eligibility for employment of any persons performing work under this Agreement. Any legal defense pursuant to Contractor's indemnification obligations under this Paragraph 41 shall be conducted by Contractor and performed by counsel selected by Contractor and approved by County in writing, which approval shall not be unreasonably withheld. Notwithstanding the foregoing, County shall have the right to participate in any such defense, at its sole cost and expense, except that in the event Contractor fails to provide County with a full and adequate defense, as required by law or this Agreement, County shall be entitled to reimbursement for all such costs and expenses.

41.4 In the event Contractor fails to comply with the provisions of this Paragraph 41, County may, in its sole discretion, terminate this Agreement for default.

42. CONSIDERATION OF GAIN/GROW PROGRAM PARTICIPANTS FOR EMPLOYMENT

Should Contractor require additional or replacement personnel after the Effective Date, Contractor shall give consideration for any such employment openings to participants in the County's Department of Public Social Services' Greater Avenues for Independence (GAIN) Program or General Relief Opportunity for Work (GROW) Program who meet Contractor's minimum qualifications for the

open position. For this purpose, consideration shall mean that Contractor will interview qualified candidates by any means Contractor deems reasonably appropriate. County will refer GAIN/GROW participants by job category to Contractor.

In the event that both laid-off County employees and GAIN/GROW participants are available for hiring, County employees shall be given first priority.

43. CONTRACTOR'S WARRANTY OF ADHERENCE TO COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM

43.1 Contractor acknowledges that County has established a goal of ensuring that all individuals who benefit financially from County through County agreements are in compliance with their court-ordered child, family and spousal support obligations in order to mitigate the economic burden otherwise imposed upon County and its taxpayers.

43.2 As required by County's Child Support Compliance Program (County Code Chapter 2.200) and without limiting Contractor's duty under this Agreement to comply with all applicable provisions of State and Federal law, Contractor warrants that it is now in compliance and shall during the term of this Agreement maintain compliance with employment and wage reporting requirements as required by the Federal Social Security Act (42 USC Section 653(a)) and, if applicable, California Unemployment Insurance Code Section 1088.5, and shall, if applicable, implement all lawfully served Wage and Earnings Withholding Orders or County's Child Support Services Department Notices of Wage and Earnings Assignment for Child or Spousal Support, pursuant to Code of Civil Procedure Section 706.031 and Family Code Section 5246(b).

44. TERMINATION FOR BREACH OF WARRANTY TO MAINTAIN COMPLIANCE WITH COUNTY'S CHILD SUPPORT COMPLIANCE PROGRAM

Failure of Contractor to maintain compliance with the requirements set forth in Paragraph 43 (Contractor's Warranty of Adherence to County's Child Support Compliance Program) shall constitute a default by Contractor under this Agreement. Without limiting the rights and remedies available to County under any other provision of this Agreement, failure to cure such default within ninety (90) days of notice by County's Child Support Services Department shall be grounds upon which the Auditor-Controller or County's Board of Supervisors may terminate this Agreement pursuant to Paragraph 21 (Termination for Default) and pursue debarment of Contractor pursuant to Paragraph 47 (Contractor Responsibility and Debarment).

45. [Intentionally Omitted]

46. NOTICE TO EMPLOYEES REGARDING THE FEDERAL EARNED INCOME CREDIT

Contractor shall notify its employees that they may be eligible for the Federal Earned Income Credit under the Federal income tax laws. Such notice shall be provided in accordance with the requirements set forth in Internal Revenue Service Notice 1015.

47. CONTRACTOR RESPONSIBILITY AND DEBARMENT

- 47.1 A responsible contractor is a contractor who has demonstrated the attribute of trustworthiness, as well as quality, fitness, capacity and experience to satisfactorily perform the contract. It is County's policy to conduct business only with responsible contractors.
- 47.2 Contractor is hereby notified that, in accordance with Chapter 2.202 of the Los Angeles Code, if County acquires information concerning the performance of Contractor on this Agreement or other contracts which indicates that Contractor is not responsible, County may, in addition to other remedies provided in this Agreement, debar Contractor from bidding or proposing on, or being awarded, and/or performing work on, County agreements for a specified period of time, which generally will not exceed five (5) years, but may exceed five (5) years or be permanent if warranted by the circumstances, and terminate any or all existing agreements Contractor may have with County.
- 47.3 County may debar Contractor if County's Board of Supervisors finds, in its discretion, that Contractor has done any of the following: (i) violated any term of an agreement with County; (ii) committed any act or omission which negatively reflects on Contractor's quality, fitness or capacity to perform an agreement with County or any other public entity, or engaged in a pattern or practice which negatively reflects on same; (iii) committed an act or offense which indicates a lack of business integrity or business honesty; or (iv) made or submitted a false claim against County or any other public entity.
- 47.4 If there is evidence that Contractor may be subject to debarment, County's Project Director, or his/her designee, will notify Contractor in writing of the evidence which is the basis for the proposed debarment and will advise Contractor of the scheduled date for a debarment hearing before County's Contractor Hearing Board (in this Paragraph 47, the "Contractor Hearing Board").
- 47.5 The Contractor Hearing Board will conduct a hearing where evidence on the proposed debarment is presented. Contractor and/or Contractor's representative shall be given an opportunity to submit evidence at that hearing. After the hearing, the Contractor Hearing Board shall prepare a tentative proposed decision, which shall contain a recommendation regarding whether Contractor should be debarred, and, if so, the appropriate length of time of the debarment. If Contractor fails to avail itself of the opportunity to submit evidence to the Contractor Hearing Board, Contractor may be deemed to have waived all rights of appeal.
- 47.6 A record of the hearing, the proposed decision and any other recommendation of the Contractor Hearing Board shall be presented to County's Board of Supervisors. The Board of Supervisors shall have the right to modify, deny or adopt the proposed decision and recommendation of the Contractor Hearing Board.
- 47.7 If Contractor has been debarred for a period longer than five (5) years, then Contractor may, after the debarment has been in effect for at least five (5) years, submit a written request for review of the debarment determination to reduce the period of debarment or terminate the debarment. County may, in its discretion, reduce the period of debarment or terminate the debarment if it finds that such

Contractor has adequately demonstrated one or more of the following: (i) elimination of the grounds for which the debarment was imposed; (ii) a bona fide change in ownership or management; (iii) material evidence discovered after debarment was imposed; or (iv) any other reason that is in the best interests of County.

- 47.8 The Contractor Hearing Board will consider a request for review of a debarment determination only where (i) the requesting Contractor has been debarred for a period longer than five (5) years, (ii) the debarment has been in effect for at least five (5) years and (iii) the request is in writing, states one or more of the grounds for reduction of the debarment period or termination of the debarment, and includes supporting documentation. Upon receiving an appropriate request, the Contractor Hearing Board will provide notice of the hearing on the request. At the hearing, the Contractor Hearing Board shall conduct a hearing where evidence on the proposed reduction of the debarment period or termination of debarment is presented. This hearing shall be conducted and the request for review decided by the Contractor Hearing Board pursuant to the same procedures as for a debarment hearing.
- 47.9 The Contractor Hearing Board's proposed decision shall contain a recommendation on the request to reduce the period of debarment or terminate the debarment. The Contractor Hearing Board shall present its proposed decision and recommendation to County's Board of Supervisors. County's Board of Supervisors shall have the right to modify, deny, or adopt the proposed decision and recommendation of the Contractor Hearing Board.
- 47.10 The terms and procedures of this Paragraph 47 shall also apply to subcontractors, consultants and partners of Contractor performing work under this Agreement.

48. [Intentionally Omitted]

49. FEDERAL ACCESS TO RECORDS

If, and to the extent that, Section 1861(v)(1)(i) of the Social Security Act (42 United States Code Section 1395x(v)(1)(i)) is applicable, Contractor agrees that for a period of five (5) years following the furnishing of services under this Agreement, Contractor shall maintain and make available, upon written request, to the Secretary of the United States Department of Health and Human Services or the Comptroller General of the United States or to any of their authorized representatives, the agreements, books, documents and records of Contractor which are necessary to verify the nature and extent of the costs of services provided hereunder. Furthermore, if Contractor carries out any of the services provided hereunder through any subcontract with a value or cost of Ten Thousand Dollars (\$10,000) or more over a twelve month period with a related organization (as that term is defined under Federal law), Contractor agrees that each such subcontract shall provide for such access to the subcontract, books, documents and records of the subcontractor.

50. LICENSES, PERMITS, REGISTRATIONS, ACCREDITATIONS AND CERTIFICATES

Contractor shall obtain and maintain in effect during the term of this Agreement all licenses, permits, registrations, accreditations and certificates required by all Federal, State, and local laws, ordinances, rules, regulations, guidelines and directives, which are applicable to Contractor's services under this Agreement. Contractor shall further ensure that all of its officers, employees, agents and subcontractors who perform services hereunder, shall obtain and maintain in effect during the term of this Agreement all licenses, permits, registrations, accreditations and certificates which are applicable to their performance hereunder. A copy of each such license, permit, registration, accreditation and certificate required by all applicable Federal, State, and local laws, ordinances, rules, regulations, guidelines and directives shall be provided, in duplicate, to *Treasurer and Tax Collector, Contracts Section, 500 West Temple Street, Room 464, Los Angeles, California 90012, Attention: Contracts Manager*.

51. NEW TECHNOLOGY

Contractor and County acknowledge the probability that the technology of the software and hardware will change and improve during the term of this Agreement. County desires the flexibility to incorporate into the System any new technologies as they may become available. Accordingly, County and Contractor agree to hold annual meetings in person or by phone, as mutually agreed by the parties, to share Contractor's development plans and rollout schedules and to receive input from County regarding new technologies.

52. NO THIRD PARTY BENEFICIARIES

Notwithstanding any other provision of this Agreement, Contractor and County do not in any way intend that any person or entity shall acquire any rights as a third party beneficiary of this Agreement, except that this provision shall not be construed to diminish Contractor's indemnification obligations hereunder.

53. GOVERNING LAW, JURISDICTION AND VENUE

This Agreement shall be governed by, and construed in accordance with, the laws of the State of California applicable to agreements made and to be performed within the State. Contractor agrees and consents to the exclusive jurisdiction of the courts of the State of California for all purposes regarding this Agreement. As with respect to claims that are subject to exclusive Federal subject matter jurisdiction, Contractor agrees and consents to the exclusive jurisdiction of the Federal courts of California.

54. DISPUTE RESOLUTION PROCEDURE

- 54.1 Contractor and County agree to act promptly to mutually resolve any disputes which may arise with respect to this Agreement. All such disputes shall be subject to the provisions of this Paragraph 54 (such provisions shall be collectively referred to as the "Dispute Resolution Procedure"). Time is of the essence in the resolution of disputes.

- 54.2 Subject to the provisions of Paragraph 9.4, Contractor and County agree that, the existence and details of a dispute notwithstanding, both parties shall continue without delay their performance hereunder.
- 54.3 In the event of any dispute between the parties with respect to this Agreement, Contractor and County shall submit the matter to their respective Project Managers for the purpose of endeavoring to resolve such dispute.
- 54.4 In the event that the Project Managers are unable to resolve the dispute within a reasonable time not to exceed five (5) Business Days from the date of submission of the dispute, then the matter shall be immediately submitted to the parties' respective Project Directors for further consideration and discussion to attempt to resolve the dispute.
- 54.5 In the event that the Project Directors are unable to resolve the dispute within a reasonable time not to exceed five (5) Business Days from the date of submission of the dispute, then the matter shall be immediately submitted to Contractor's President and Director or Director's Chief Deputy, if the Director and Project Director are the same person. These persons shall have five (5) Business Days to attempt to resolve the dispute.
- 54.6 In the event that at these levels, there is not a resolution of the dispute acceptable to both parties, then each party may assert its other rights and remedies provided under this Agreement and/or its rights and remedies as provided by law.
- 54.7 All disputes utilizing this dispute resolution procedure shall be documented in writing by each party and shall state the specifics of each alleged dispute and all actions taken. The parties shall act in good faith to resolve all disputes. At all three (3) levels described in this Paragraph 54, the efforts to resolve a dispute shall be undertaken by conference between the parties' respective representatives, either orally, by face-to-face meeting or by telephone, or in writing by exchange of correspondence.
- 54.8 Notwithstanding any other provision of this Agreement, County's right to terminate this Agreement pursuant to Paragraph 23 (Termination for Insolvency), Paragraph 21 (Termination for Default), Paragraph 24 (Termination for Improper Consideration), Paragraph 22 (Termination for Convenience), or any other termination provision hereunder, and either party's right to seek injunctive relief to enforce the provisions of Paragraphs 15 (Proprietary Considerations) and 20 (Confidentiality), shall not be subject to this Dispute Resolution Procedure. The preceding sentence is intended only as a clarification of County's rights, and shall not be deemed to impair any claims that Contractor may have against County or Contractor's rights to assert such claims after any such termination or such injunctive relief has been obtained.

55. WAIVER

No breach by either party of any provision of this Agreement can be waived unless done in writing. No waiver by either party of any breach of any provision of this Agreement shall constitute a waiver of any other breach or of such provision. Failure of County to enforce at any time, or from time to time, any provision of this Agreement shall not be construed as a waiver thereof. The rights and remedies set forth in this Agreement shall not be exclusive and are in addition to any other

rights and remedies provided by law or under this Agreement.

56. CONTRACTOR PERFORMANCE DURING CIVIL UNREST AND DISASTER

Contractor recognizes that County provides services essential to the residents of the communities it serves, and that these services are of particular importance at the time of a riot, insurrection, civil unrest, natural disaster or similar event. Notwithstanding any other provision of this Agreement, full performance by Contractor during any riot, insurrection, civil unrest, natural disaster or similar event is not excused if such performance remains physically possible without related danger to Contractor's or subcontractors' employees and suppliers, as reasonably determined by Contractor. During any such event in which the health or safety of any of Contractor's staff members would be endangered by performing their services on-site, such staff members may perform any or all of their services remotely. Failure to comply with this requirement shall be considered a material breach of this Agreement by Contractor, for which County may immediately terminate this Agreement.

57. DAMAGE TO COUNTY FACILITIES, BUILDINGS OR GROUNDS

57.1 Contractor shall repair, or cause to be repaired, at its own cost, any and all damage to County facilities, buildings, or grounds caused by Contractor or employees or agents of Contractor. Such repairs shall be made immediately after Contractor has become aware of such damage, but in no event later than thirty (30) days after the occurrence.

57.2 If Contractor fails to make timely repairs, County may make any necessary repairs. All costs incurred by County, as determined by County, for such repairs shall be repaid by Contractor by cash payment upon demand or, without limitation of all County's other rights and remedies provided by law or under this Agreement, County may deduct such costs from any amounts due Contractor from County under this Agreement.

58. [Intentionally Omitted]

59. [Intentionally Omitted]

60. MINIMUM AGE, LANGUAGE SKILLS AND LEGAL STATUS OF CONTRACTOR PERSONNEL

Contractor cannot assign employees under the age of eighteen (18) to perform work under this Agreement. All of Contractor's employees working at County facilities must be able to communicate in English. Contractor's employees must be United States citizens or legally present and permitted to work in the United States.

61. VALIDITY AND SEVERABILITY

61.1 Validity

The invalidity, unenforceability or illegality of any provision of this Agreement shall not render the other provisions hereof invalid, unenforceable or illegal, unless the

essential purposes of this Agreement shall be materially impaired thereby.

61.2 Severability

In the event that any provision herein contained is held to be invalid, void or illegal by any court of competent jurisdiction, the same shall be deemed severable from the remainder of this Agreement, if practicable, and shall in no way affect, impair or invalidate any other provision contained herein. If any such provision shall be deemed invalid in its scope or breadth, such provision shall be deemed valid to the extent of the scope or breadth permitted by law. If any provision of this Agreement is adjudged void or invalid for any reason whatsoever, but would be valid if part of the wording thereof were deleted or changed, then such provision shall apply with such modifications as may be necessary to make it valid and effective.

62. NOTICES

62.1 All notices or demands required or permitted to be given or made under this Agreement, unless otherwise specified, shall be in writing, addressed to the parties identified in Exhibit D (Administration of Agreement), and shall be: (i) hand delivered with signed receipt; (ii) mailed by first-class registered or certified mail, postage prepaid; or (iii) by facsimile or electronic mail transmission followed within twenty-four (24) hours by a confirmation copy mailed by first-class registered or certified mail, postage prepaid. Notices shall be deemed given at the time of signed receipt in the case of hand delivery, three (3) days after deposit in the United States mail as set forth above, or on the date of facsimile or electronic mail transmission if followed by timely confirmation mailing. Addresses may be changed by either party by giving ten (10) days prior written notice thereof to the other party.

62.2 Director shall have the authority to issue all notices or demands which are required or permitted to be issued by County under this Agreement.

62.3 Each party may change the names of the people designated to receive notices pursuant to this Paragraph 62 by giving written notice of the change to the other party, subject to County's right of approval in accordance with Paragraph 3.3 (Approval of Contractor's Staff).

63. [Intentionally Omitted]

64. ARM'S LENGTH NEGOTIATIONS

This Agreement is the product of arm's length negotiations between Contractor and County. Consequently, each party has had the opportunity to receive advice from independent counsel of its own choosing. This Agreement is to be interpreted fairly as between the parties and not strictly construed as against either party.

65. NON-EXCLUSIVITY

Nothing herein is intended nor shall be construed as creating any exclusive arrangement with Contractor. Subject to Contractor's intellectual property rights, this Agreement shall not restrict County from acquiring similar, equal or like goods and/or services from other entities or sources.

66. ACCESS TO COUNTY FACILITIES

Contractor, its employees and agents, will be granted access to County facilities, subject to Contractor's prior notification to County's Project Director, for the purpose of executing Contractor's obligations hereunder. Access to County facilities shall be restricted to normal business hours, 8:00 a.m. until 5:00 p.m., Pacific Time, Monday through Friday, County observed holidays excepted. Except for emergency repairs, access to County facilities outside of normal business hours must be approved in advance by County's Project Director, County's Project Manager or any of their respective designees, which approval shall not be unreasonably withheld. Contractor shall have no tenancy, or any other property or other rights, in County facilities. While present at County facilities, Contractor's personnel shall be accompanied by County personnel at all times, unless this requirement is waived in writing prior to such event by County's Project Director.

67. COUNTY FACILITY OFFICE SPACE

In order for Contractor to perform services hereunder and only for the performance of such services, County may elect, subject to County's standard administrative and security requirements, to provide Contractor with office space and equipment, as determined in the sole judgment of the County's Project Director, at County facilities, on a non-exclusive use basis, including a storage locker that Contractor may secure with its own locks to which County does not possess keys. County will also provide Contractor with reasonable telephone service in such office space for use only for purposes of this Agreement. County disclaims any and all responsibility for the loss, theft or damage of any property or material left at such County office space by Contractor.

68. PHYSICAL ALTERATIONS

Contractor shall not in any way physically alter or improve any County facility without the prior written approval of Director, County's Project Director and the Director of County's Internal Services Department, in their sole discretion.

69. CONTRACTOR'S OFFICES

Contractor's business offices are located at *875 Indianhead Drive, Mosinee, Wisconsin, 54455-0037*. Contractor shall notify in writing *Treasurer and Tax Collector, Contracts Section, 500 West Temple Street, Room 464, Los Angeles, California 90012, Attn: Contracts Manager*, of any change in its business address at least ten (10) Business Days prior to the effective date thereof.

70. DELIVERY AND RISK OF LOSS

Contractor shall bear the full risk of loss due to total or partial destruction of the Additional System Hardware and/or Additional System Software until such items are delivered to and signed for by County as evidenced by County's signature on delivery documents.

71. STAFF PERFORMANCE WHILE UNDER THE INFLUENCE

Contractor shall use reasonable efforts to ensure that no employee of Contractor shall perform services hereunder while under the influence of any alcoholic beverage, medication, narcotic or other substance, which might impair his/her physical or mental performance.

72. [Intentionally Omitted]

73. CAPTIONS AND PARAGRAPH HEADINGS

Captions and paragraph headings used in this Agreement are for convenience only and are not a part of this Agreement and shall not be used in construing this Agreement.

74. NOTICE OF DELAYS

Except as otherwise provided herein, when either party has knowledge that any actual or potential situation is delaying or threatens to delay the timely performance of this Agreement, that party shall immediately, but no later than within one (1) Business Day, give to the other party notice thereof, with all relevant information with respect to such actual or potential delay.

75. COUNTY POLICY REGARDING RECYCLED PAPER

Consistent with the Board of Supervisors' policy to reduce the amount of solid waste deposited at County landfills, Contractor agrees to use recycled-content paper to the maximum extent possible under this Agreement.

76. COMPLIANCE WITH COUNTY'S JURY SERVICE PROGRAM

76.1 Jury Service Program

This Agreement is subject to the provisions of County's ordinance entitled Contractor Employee Jury Service (hereinafter in this Paragraph 76 "Jury Service Program" or "Program") as codified in Sections 2.203.010 through 2.203.090 of the County Code, a copy of which is attached as Exhibit F and incorporated by reference into and made a part of this Agreement.

76.2 Written Employee Jury Service Policy

76.2.1 Unless Contractor has demonstrated to County's satisfaction either that Contractor is not a "Contractor" as defined under the Jury Service Program (Section 2.203.020 of the County Code) or that Contractor qualifies for an exception to the Jury Service Program (Section 2.203.070 of the County Code), Contractor shall have and adhere to a written policy that provides that its Employees (as defined in Paragraph 76.2.2 below) shall receive from Contractor, on an annual basis, no less than five (5) days of regular pay for actual jury service. The policy may provide that Employees deposit any fees received for such jury service with Contractor or that Contractor deduct from the Employee's regular pay the fees received for jury service.

- 76.2.2 For purposes of this Paragraph 76, "Contractor" means a person, partnership, corporation or other entity which has an agreement with County or a subcontract with Contractor and has received or will receive an aggregate sum of \$50,000 or more in any twelve (12) month period under one or more County agreements or subcontracts. "Employee" means any California resident who is a full-time employee of Contractor. "Full-time" means forty (40) hours or more worked per week, or a lesser number of hours if: 1) the lesser number is a recognized industry standard as determined by County, or 2) Contractor has a long-standing practice that defines the lesser number of hours as full-time. Full-time employees providing short-term, temporary services of ninety (90) days or less within a twelve (12) month period are not considered full-time for purposes of the Jury Service Program. If Contractor uses any subcontractor to perform services for County under this Agreement, the subcontractor shall also be subject to the provisions of this Paragraph 76. The provisions of this Paragraph 76 shall be inserted into any such subcontract and a copy of the Jury Service Program shall be attached to the agreement.
- 76.2.3 If Contractor is not required to comply with the Jury Service Program when the Agreement commences, Contractor shall have a continuing obligation to review the applicability of its "exception status" from the Jury Service Program, and Contractor shall immediately notify County if Contractor at any time either comes within the Jury Service Program's definition of "Contractor" or if Contractor no longer qualifies for an exception to the Program. In either event, Contractor shall immediately implement a written policy consistent with the Jury Service Program. County may also require, at any time during this Agreement and at its sole discretion, that Contractor demonstrate to County's satisfaction that Contractor either continues to remain outside of the Jury Service Program's definition of "Contractor" and/or that Contractor continues to qualify for an exception to the Program.
- 76.2.4 Contractor's violation of this Paragraph 76 may constitute a material breach of this Agreement. In the event of such material breach, County may, in its sole discretion, terminate this Agreement with Contractor and/or bar Contractor from the award of future County agreements for a period of time consistent with the seriousness of the breach.

77. COMPLAINTS

Contractor shall develop, maintain and operate procedures for receiving, investigating and responding to complaints. Contractor shall investigate and respond to complaints in accordance with its policy.

78. CONTRACTOR'S ACKNOWLEDGEMENT OF COUNTY'S COMMITMENT TO THE SAFELY SURRENDERED BABY LAW

Contractor acknowledges that County places a high priority on the implementation of the State of California's Safely Surrendered Baby Law. Contractor understands that it is County's policy to encourage all County contractors to voluntarily post the County's "Safely Surrendered Baby Law" poster in a prominent position at Contractor's place of business. Contractor is located in the State of Wisconsin and does not have any employees located in the State of California, County of Los Angeles. The State of Wisconsin has a law which is similar to the State of California's Safely Surrendered Baby Law, and Contractor agrees to abide by

Wisconsin's law. Contractor will encourage its subcontractors located in the State of California, County of Los Angeles, if any, to post the County's "Safely Surrendered Baby Law" poster in a prominent position in such subcontractor's place of business. County's Department of Children and Family Services will supply Contractor with the poster to be used.

79. SURVIVAL

The provisions in the following Paragraphs shall survive the expiration or termination of this Agreement for any reason:

1. Applicable Documents and Definitions
- 2.4. Approval of Work
- 7.3 Term of License
- 7.4 Transition Services
- 8.3 No Payment for Services Provided Following Expiration/Termination of Agreement
9. Invoices and Payments
11. System Ownership and License
14. Indemnification and Insurance
15. Proprietary Considerations
16. Intellectual Property Indemnification
- 18.3
19. Disclosure of Information
20. Confidentiality
21. Termination for Default
22. Termination for Convenience
23. Termination for Insolvency
- 26.3
- 35.2
- 41.3
49. Federal Access to Records

- 52. No Third Party Beneficiaries
- 53. Governing Law, Jurisdiction and Venue
- 54. Dispute Resolution Procedure
- 55. Waiver
- 61. Validity and Severability
- 62. Notices
- 79. Survival

* * *

IN WITNESS WHEREOF, Contractor has executed this Agreement, or caused it to be duly executed and County, by order of its Board of Supervisors, has caused this Agreement to be executed on its behalf by the Chairman of said Board and attested by the Executive Officer-Clerk of the Board of Supervisors thereof, the day and year first above written.

CONTRACTOR:
WAUSAU FINANCIAL SYSTEMS, INC.

By _____
Name

Title

COUNTY:
COUNTY OF LOS ANGELES

By _____
Chairman, Board of Supervisors

ATTEST:

SACHI A. HAMAI
Executive Officer-Clerk
of the Board of Supervisors

By _____

APPROVED AS TO FORM:
BY COUNTY COUNSEL

RAYMOND G. FORTNER, JR.

By _____
Amanda M. L. Drukker
Senior Associate County Counsel

**AGREEMENT FOR REMITTANCE PROCESSING AND DOCUMENT MANAGEMENT SYSTEM
MAINTENANCE AND SUPPORT**

TABLE OF CONTENTS OF EXHIBITS

STANDARD EXHIBITS

A	SCOPE OF WORK	_____
B	SCHEDULE OF PRICES AND PAYMENTS	_____
C	ADDITIONAL WORK REQUEST	_____
D	ADMINISTRATION OF AGREEMENT	_____
	D1 COUNTY'S ADMINISTRATION
	D2 CONTRACTOR'S ADMINISTRATION
E	CONTRACTOR'S EEO CERTIFICATION	_____
F	CONTRACTOR EMPLOYEE JURY SERVICE	_____
G	SAFELY SURRENDERED BABY LAW	_____
H	ESCROW AGREEMENTS	_____
	H1 DSI ESCROW AGREEMENT
	H2 NSE ESCROW AGREEMENT
I	NON-HYLAND THIRD PARTY WARRANTIES	_____
J	NON-HYLAND THIRD PARTY LICENSE	_____

EXHIBIT A**SCOPE OF WORK****1.0 SCOPE OF WORK**

This Exhibit A defines the scope of work to be performed by Contractor under that certain Agreement by and between County of Los Angeles and Wausau Financial Systems, Inc. for Remittance Processing and Document Management System Maintenance and Support, dated as of February 1, 2007 (hereinafter, the "Agreement"), including, but not limited to, Maintenance and Support for the System and, as requested by County, Additional Work. Unless otherwise defined, capitalized terms used herein shall have the meanings ascribed to such terms in the Agreement.

2.0 QUALITY CONTROL AND QUALITY ASSURANCE PLAN

- 2.1 The Contractor shall provide a monthly call report.
- 2.2 The County will evaluate the Contractor's performance under this Exhibit A using the quality assurance procedures as defined in Paragraph 31 (County's Quality Assurance Plan) of the body of the Agreement.
- 2.3 Contractor shall meet in person or via conference call with the County's Project Manager as often as necessary, as determined by the County Project Director.
- 2.4 Without limiting any cure periods set forth in the body of the Agreement, verbal notification of any discrepancy between the requirements of the Agreement (including Exhibits and Attachments) and Contractor's performance thereunder identified by County will be made to the Contractor's Project Manager as soon as possible whenever a discrepancy is identified, however failure to notify Contractor shall not relieve Contractor of its obligation to remedy such discrepancy in accordance with the applicable terms of the Agreement. The discrepancy shall be resolved within a time period mutually agreed upon by the County and the Contractor, however, it is understood and agreed that such time periods shall not

exceed industry standards.

- 2.5 Without limiting any cure periods set forth in the body of the Agreement, the County's Project Manager will determine whether a formal Contract Discrepancy Report shall be issued. Upon receipt of this document, the Contractor is required to respond in writing to the County's Project Manager, within five (5) Business Days, acknowledging the reported discrepancies or presenting contrary evidence. A plan for correction of all discrepancies identified in the Contract Discrepancy Report shall be submitted to the County's Project Manager within ten (10) Business Days.

3.0 RESPONSIBILITIES

The County's and the Contractor's responsibilities are as follows:

3.1 County Responsibilities:

The County will administer the Agreement according to Paragraph 3 (Administration of Agreement - County) of the body of the Agreement. Specific duties will include:

- 3.1.1 Monitoring the Contractor's performance in the daily operation of this Exhibit A.
- 3.1.2 Providing direction to the Contractor in areas relating to policy, information and procedural requirements.
- 3.1.3 Preparing Change Notices in accordance with Paragraph 4 (Change Notices and Amendments) of the body of the Agreement.

County understands that in order for Contractor to provide System Software Support Services hereunder, County:

- (1) Must provide, at County's expense, a virtual personal network capability to enable Contractor to access the System from Contractor's facility;
- (2) Must have County's Project Director identify Authorized Personnel to serve as County's Support contact. Only Authorized Personnel and County's Project Director shall be authorized to request and receive Support Services on behalf of County. The Authorized Personnel as of

the Effective Date are as set forth on Exhibit D (Administration of Agreement) to the body of the Agreement. County may change its Authorized Personnel by written notice to Contractor; and

- (3) Must provide Contractor with reasonable access to the System Software, System Hardware and all County data used by the System Software during the times requested by Contractor, subject to County access approval policies. County will not unreasonably withhold such access. Access to such data shall be used exclusively for purposes of providing Support Services and shall be subject to Contractor's obligations to protect Confidential Information set forth in the Agreement.

3.2 Contractor Responsibilities: Without limiting Contractor's other obligations under the Agreement, including, without limitation, this Exhibit A:

- 3.2.1 Contractor shall provide a full-time Contractor's Project Manager or designated alternate. County must have access to the Contractor's Project Manager during business hours of 6:00 a.m. to 3:00 p.m. (Pacific Time) Monday through Friday.
- 3.2.2 Contractor's Project Manager shall act as a central point of contact with the County. Contractor's Project Manager/alternate shall demonstrate previous experience in the management of work requirements for facilities similar in size and complexity to County.
- 3.2.3 Contractor's Project Manager/alternate shall have full authority to act for Contractor on all matters relating to the daily operation of the Agreement. Project Manager/alternate shall be able to effectively communicate, in English, both orally and in writing.
- 3.2.4 Contractor's Project Manager/alternate shall have five (5) years of experience relevant to the work performed by Contractor's Project Manager under the Agreement.

3.3 Contractor's Help Desk:

Without limiting Contractor's other obligations under the Agreement, including, without limitation, this Exhibit, Contractor shall provide a Help Desk to manage

and track any technical problems relating to the System Software, System Hardware and Maintenance and Support issues encountered by County. Contractor shall provide County with a toll free telephone number to the Help Desk which shall be staffed 24 hours per day, 7 days a week.

4.0 MAINTENANCE AND SUPPORT

4.1 SYSTEM SOFTWARE

4.1.1 MAINTENANCE AND SUPPORT SERVICES

- (1) Contractor shall: (a) correct Deficiencies with the System Software (hereinafter "Software Support Services"; together with Hardware Support Services (as defined below), "Support Services"), and (b) provide Updates for the System Software (hereinafter "Software Maintenance Services"; together with Hardware Maintenance Services, "Maintenance Services"). Hereinafter, Support Services and Maintenance Services are collectively referred to as "Maintenance and Support". Without limiting the foregoing, Maintenance and Support shall include Contractor's correction of any failures of the applicable Components of the System to satisfy any of the warranties set forth in Paragraph 10.1.1 (Warranties During the Warranty Period) of the body of the Agreement.
- (2) County shall receive ongoing Support Services from Contractor's Help Desk for System Software. Maintenance and Support entitles County to receive assistance in problem determination and resolution for System Software.
- (3) Contractor shall reasonably assist County with those activities comprising problem determination. Problem determination describes, without limitation, the activities associated with engaging in a service request, checking background and change management information, reviewing service activity, assessing issues, determining why a problem occurred, trouble shooting and

providing a monthly problem tracking including the cause of the problem and, if ascertainable, resolution report.

- (4) Maintenance and Support for the System Software is delivered, managed, reported and tracked through Contractor's Help Desk. Contractor shall provide Maintenance and Support via phone support during Help Desk hours (24 hours per day, 7 days a week) and on site Maintenance and Support as needed. The Help Desk shall engage in an initial assessment of the problem. Based on the nature and severity of the issue, Maintenance and Support requests are assigned a service Priority Level by County. If remote access is required for service, voice and data communications costs are the responsibility of County.
- (5) Support Services for the System Software shall be performed as follows:
 - a) County may request Support Services for the System Software by telephone, facsimile, or mail. Requests involving the Help Desk must be made by County's Project Director or Authorized Personnel.
 - b) As part of Support Services for the System Software, County shall provide Contractor with information and assistance reasonably requested by Contractor as necessary to detect, simulate and correct Deficiencies of the System Software to operate in accordance with the terms of the Agreement.
 - c) Contractor shall commence and resolve Support Services for the System Software in accordance with Attachment A.2 (Correction of Deficiencies).
 - d) Contractor shall provide Support Services for the System Software from its business premises, except that at Contractor's option and expense, Contractor may provide

Support Services for the System Software at County's facility.

- (6) Contractor will install all Updates with reasonable assistance from County. All Updates shall be provided in a form and with installation instructions sufficient to permit County to update its documentation of the System.
- (7) In the event that County adds additional hardware or software components to the System not approved by the Contractor and problems arise, Contractor may insist that these components be removed from the System before troubleshooting begins.
- (8) Without limiting the Updates provided hereunder, Maintenance Services for the System Software shall include Updates required to comply with Federal Reserve regulations, to the extent that Contractor generally makes such Updates available to its other customers at no additional charge above maintenance and support fees. To the extent that compliance with a Federal Reserve regulation requires an enhancement, version release, application and operating software upgrade, revision, improvement, or other modification that Contractor does not generally make available to its other customers at no additional charge above maintenance and support fees, County may acquire such enhancement, version release, application and operating software upgrade, revision, improvement, or other modification as Additional Work under, and in accordance with, the Agreement.

4.2. SYSTEM SOFTWARE MAINTENANCE AND SUPPORT TERMS AND FEES:

- (1) For the System Software, Contractor shall provide and County shall receive Maintenance and Support commencing on the Effective Date, and continuing for the entire term of the Agreement, unless otherwise terminated in accordance with the provisions of the Agreement.
- (2) For the System Software, Maintenance Fees shall commence (a) with respect to Components of Existing System Software, on the Effective

Date and (b) with respect to any Components of Additional System Software, other than Non-Hyland Third Party Software, on County's commencement of Production Use of such Components of Additional System Software in accordance with the applicable Statement of Work. Maintenance Fees for the System Software shall be payable quarterly in advance. The amount of the Maintenance Fees for the System Software shall be in accordance with Exhibit B (Schedule of Prices and Payments).

4.3 SYSTEM HARDWARE

4.3.1 MAINTENANCE AND SUPPORT SERVICES:

Contractor shall inspect the System Hardware on a regular basis and make such repairs, adjustments, replacement of parts, and performance of preventive maintenance as necessary to maintain the System Hardware in good operating condition (referred to as "Hardware Maintenance Services"). Maintenance parts shall be furnished on an exchange basis, regardless of when installed by Contractor, and shall be new or warranted as new, in good working order, in conformity with manufacturer's published specifications and descriptions, and free from defects in workmanship and materials. Contractor additionally shall correct Deficiencies with the System Hardware (referred to as "Hardware Support Services"). Without limiting the foregoing, Maintenance and Support shall include Contractor's correction of any failures of the applicable Components of the System to satisfy any of the warranties set forth in Paragraph 10.1.1 (Warranties During the Warranty Period) of the body of the Agreement.

Preventive maintenance (scheduled) shall be performed at times mutually agreed by Contractor and County. Contractor shall specify the frequency and duration of preventive maintenance scheduled for the System Hardware, as prescribed by the hardware vendor.

4.4 SYSTEM HARDWARE MAINTENANCE AND SUPPORT TERM AND FEES:

- (1) For the System Hardware, Contractor shall provide and County shall receive Maintenance and Support commencing (a) with respect to Components of Existing System Hardware, on the Effective Date and (b) with respect to Components of Additional System Hardware, on the expiration of the applicable Warranty Period and, in each case, continuing for the entire term of the Agreement, unless otherwise terminated in accordance with the provisions of the Agreement.
- (2) For the System Hardware, Maintenance Support Fees shall commence (a) with respect to Components of Existing System Hardware, on the Effective Date and (b) with respect to Components of Additional System Hardware, on the expiration of the applicable Warranty Period. Maintenance Fees for the System Hardware shall be payable quarterly in advance. The amount of the Maintenance Fees for the System Hardware shall be in accordance with Exhibit B (Schedule of Prices and Payments).

4.5 EXCLUSIONS:

System Hardware Maintenance and Support Services do not include: (1) electrical work external to any System Hardware; (2) reinstallation or moving of hardware, options or attachments from original installed location; (3) furnishing of consumable items, supplies and accessories, including, but not limited to, ribbons, paper, cassettes, (not withstanding any other part of the Agreement); (4) replacement of parts or repairs necessitated by wear resulting from other than normal life cycle usage, or damages caused by: accident, negligence or misuse by County or its agents and employees, or damage due to fires, floods, or other acts of God, or alterations of any sort which are performed by other than Contractor's personnel, unless approved, in writing, by Contractor's Project Director; (5) painting or refinishing System Hardware or furnishing material therefore; and (6) repair of damage caused directly or indirectly by operation of the System Hardware outside the temperature, humidity and electrical ranges

prescribed by System Hardware manufacturer(s).

4.6 SYSTEM HARDWARE MAINTENANCE AND SUPPORT SERVICE TIME:

- (1) Availability of Maintenance and Support for the System Hardware: Maintenance and Support for the System Hardware including in the Document Management portion of the System shall be provided from 6 a.m. to 7 p.m. Pacific Time, Monday through Saturday. Maintenance and Support for System Hardware included in the Remittance Processing portion of the System shall be provided from 8 a.m. to 5 p.m. Pacific Time, Monday through Saturday, except during the Peak Period (as defined below) when the Maintenance and Support for the System Hardware included in the Remittance Processing portion of the System shall be provided twenty-four (24) hours per day, seven (7) days per week. As used herein, the term "Peak Period" shall mean the calendar months of April and December.
- (2) Service Calls:
Deficiencies with the System Hardware shall be managed, reported and tracked through Contractor's Help Desk by County's Project Director or Authorized Personnel during Help Desk hours (24 hours per day, 7 days a week). Based on the nature and severity of the issue, Maintenance and Support requests are assigned a service Priority Level by County. Contractor maintenance personnel except in circumstances that are beyond the control of Contractor shall commence and resolve Support Services for the System Hardware in accordance with Attachment A.2 (Correction of Deficiencies). Notification for purposes of this Paragraph 4.6(2) may be by telephonic communication.

4.7 COUNTY RESPONSIBILITIES:

- (1) County will provide Contractor reasonable access and availability to the System Hardware to perform Maintenance and Support during the specified period of service coverage. County will also provide adequate working space and facilities, on a non-exclusive use basis, including, heat, light, ventilation, electrical current and outlets for use by Contractor

maintenance personnel, and adequate storage space, if required, for spare parts. All such facilities will be within a reasonable distance from the System Hardware to be serviced and will be provided at no charge to Contractor.

- (2) County will not perform, attempt to perform, or cause to be performed maintenance or repair to such System Hardware receiving Maintenance and Support, except simple operational maintenance (e.g., cleaning tape drive heads) on such System Hardware as may be specified by Contractor or as otherwise authorized or approved by Contractor. County, at Contractor's request, shall establish and maintain a hardware environment consistent with such specifications as may be furnished by Contractor from time to time.

5.0 ADDITIONAL WORK

Additional System Components and/or Other Professional Services may be requested by County and provided by Contractor in accordance with the Agreement, including, without limitation, Paragraph 5.3 (Additional Work Request) of the body of the Agreement and Exhibit C (Additional Work Request) to the body of the Agreement.

ATTACHMENT A.1

SYSTEM PERFORMANCE TIME

I. PERFORMANCE TIME WARRANTY

For purposes of Performance Time Warranty, the System shall provide sufficient computing capacity during the term of this Agreement, meaning that it will have sufficient computer hardware resources and efficient software design such that the System Performance Time (defined as the elapsed time (Maximum Performance Time) to complete each transaction processed by the System) shall not exceed the values for the Maximum Performance Time below.

For the Remittance Processing System (RPS), one-hundred percent (100%) of the transaction identified below as Item 1:

<i>Item</i>	<i>Description of Transaction</i>	<i>Maximum Performance Time</i>
1	70,000 Completed Transactions	8 hours
2	Other transactions as mutually agreed in writing by County's Project Director and Contractor's Project Director.	

II PERFORMANCE TIME WARRANTY ASSUMPTIONS

A. Transaction Description Definitions

Completed Transaction: Any payment transaction (defined as a set of one or more stub(s) (hardcopy or electronic) and one or more checks(s)) that has successfully completed all of the following processes:

- 7780 Transport (identified in (Exhibit B (Schedule of Prices and Payments) to the Agreement) to pass 1 capture stub and check data and image and spray audit trail
- Out-sort stubs meeting mark sense criteria
- Load Pass 1 data into database via QUEUE
- Reconcile checks with Courtesy Amount Recognition (CAR)
- Identify documents if necessary
- Repair stub scanlines that did not read or read incorrectly
- Key entry of checks that did not reconcile
- Key entry of stub amounts
- Key entry of account numbers for checks only and check and list
- Key entry for Check Keying 2
- Key entry for Check Keying 3
- Reconcile checks and stubs that do not balance
- Load corrected data into database via QUEUE Services
- Create deposits
- Import data into FoxPro (identified in Exhibit B (Schedule of Prices and Payments) to the Agreement)

- Create host files
- Prepare for transmission of the host file(s)
- Conduct End-of-Day job to archive and delete data
- Backup System to tape

B. Operational Assumptions

1. The System shall have the capability to achieve the processing of a minimum of 70,000 Completed Transactions during any given eight (8) consecutive hour shift during a twenty-four (24) hour period.
2. All System back-up and reporting activities, including, without limitation, System backup, standard reporting, custom reporting host file creation, and CD burning, shall occur during any given eight (8) consecutive hour shift during a twenty-four (24) hour period.

**EXHIBIT A
ATTACHMENT A.2
CORRECTION OF DEFICIENCIES**

DEFICIENCY CORRECTION PRIORITY:

County and Contractor shall assign one of the following Priority Levels to each County service request submitted to Contractor's Help Desk:

Priority Level	Severity Indicator	Nature of Deficiency	Problem Response Time ¹	Target Problem Resolution Time Goal ²
1	Critical	The System is down or in a degraded state that puts <i>critical</i> business deadlines in jeopardy.	System Software 30 minutes System Hardware 4 hours	System Software 4 hours System Hardware 4 hours
2	Serious	Service is degraded, but can continue its operation via a workaround or incremental resource for a period of time.	System Software 1 Hour System Hardware 4 hours	System Software & System Hardware 1-3 Business Days
3	Moderate	A single user or small number of users loses service, affecting significant business functionality. A workaround exists or can be developed with a small amount of incremental resources.	System Software 3 Hours System Hardware 4 hours	System Software & System Hardware 4–10 Business Days
4	Minor	Scheduled requests, upgrades or testing of system/OS patches.	As scheduled	Per agreed to plan

1 Problem Response Time is defined as the time starting when County logs a call and is given a call tracking number by Contractor's Help Desk and ending when Contractor's Support technician begins the resolution process (System Software only) or at the time Contractor's hardware technician arrives at County's facility (System Hardware only).

2 Problem Resolution Time Goal for both System Software and System Hardware is defined as the time starting when the Contractor's Support Technician begins the resolution process (System Software only) or when the Contractor's hardware technician comes on site (System Hardware only) and ending when the call has either been resolved or a successful work-around has been implemented.

SCHEDULE OF PRICES AND PAYMENTS

EXHIBIT B
Schedule of Prices and Payments

SECTION I **Summary of Contract Sum**

		2/1/07-1/31/08	2/1/08-1/31/09	2/1/09-1/31/10	2/1/10-1/31/11	<u>Term Price</u>
		<u>Annual Price</u>	<u>Annual Price</u>	<u>Annual Price</u>	<u>Annual Price</u>	
Aggregate Maintenance Cost						
	Document Management System (DMS)	Quarterly Payment	\$20,645.60	\$21,677.88	\$22,761.77	\$23,899.86
		Quarterly Payment	20,645.60	21,677.88	22,761.77	23,899.86
		Quarterly Payment	20,645.60	21,677.88	22,761.77	23,899.86
		Quarterly Payment	20,645.60	21,677.88	22,761.77	23,899.86
	Sub Total DMS		\$82,582.40	\$86,711.52	\$91,047.08	\$95,599.44
						\$355,940.44
	Remittance Processing System (RPS)	Quarterly Payment	\$40,584.88	\$43,715.86	\$45,901.66	\$48,196.74
		Quarterly Payment	40,584.88	43,715.86	45,901.66	48,196.74
		Quarterly Payment	40,584.88	43,715.86	45,901.66	48,196.74
		Quarterly Payment	40,584.88	43,715.86	45,901.66	48,196.74
	Sub Total RPS		\$162,339.52	\$174,863.44	\$183,606.64	\$192,786.96
						\$713,596.56
	Total Annual		\$244,921.92	\$261,574.96	\$274,653.72	\$288,386.40
						\$1,069,537.00
Pool Dollars	(Including but not limited to: Other Professional Services, Training, Customizations, Additional System Components and Maintenance and Support)					200,000.00
Contract Sum						\$1,269,538

SECTION II **Maintenance and Support**

A. Document Management System (DMS)

<u>Item Number</u>	<u>Description</u>	<u>Serial #</u>	<u>Qty</u>	<u>Maintenance Unit Price</u>	2/1/07-1/31/08	2/1/08-1/31/09	2/1/09-1/31/10	2/1/10-1/31/11	4 Yr
					<u>Annual Price</u>	<u>Annual Price</u>	<u>Annual Price</u>	<u>Annual Price</u>	<u>Total</u>
EXT.HW	7X24X4 HW Suppt April & December *			\$0.00	\$137.40	\$144.27	\$151.48	\$159.06	\$592.21
NCR-3241-S001	PC, NCR, 3241 Workstation	6SZQS51	1	126.00	126.00	132.30	138.92	145.86	543.08
NCR-3241-S001	PC, NCR, 3241 Workstation	D0CQP61	1	126.00	126.00	132.30	138.92	145.86	543.08
3498-2414-8090	MONITOR, NCR, 17" Color CRT (NCR)	476054A1B1DD	1	75.00	75.00	78.75	82.69	86.82	323.26
3498-2414-8090	MONITOR, NCR, 17" Color CRT (NCR)	4760548IB46J	1	75.00	75.00	78.75	82.69	86.82	323.26
NCR-3526-S002	SERVER, NCR, S2600, (RACK)	BOTX921	1	412.00	412.00	432.60	454.23	476.94	1,775.77
3526-F045	Second Processor	BOTX921	1	0.00	0.00	0.00	0.00	0.00	0.00
3526-F878	2GB DDR SDRAM (4-512MB), PC2100	BOTX921	1	0.00	0.00	0.00	0.00	0.00	0.00
3526-F381	HARD DRIVE, NCR, 36GB U320 10,000RPM SCSI	BOTX921	4	0.00	0.00	0.00	0.00	0.00	0.00
3526-F129	39160 ULTRA3 SCSI LVD Controller	BOTX921	1	0.00	0.00	0.00	0.00	0.00	0.00
3526-F616	Redundant / Hot-plug Power Supply	BOTX921	1	0.00	0.00	0.00	0.00	0.00	0.00
3526-F232	PCI-INTEL 10/100 PRO100S+ Single NIC	BOTX921	2	0.00	0.00	0.00	0.00	0.00	0.00
3498-2621-8090	MONITOR, NCR 17"	241FVHA2000320	1	75.00	75.00	78.75	82.69	86.82	323.26
NCR-3488-S002	SERVER, NCR, S28 BASE DESKSIDE	25740351	1	870.00	870.00	913.50	959.18	1,007.13	3,749.81
3488-F038-0000	1 X Pentium III 1Ghz Processor	25740351	1	0.00	0.00	0.00	0.00	0.00	0.00
3488-F972-0000	MEMORY, NCR, 256MB SDRAM DIMM ECC PC133	25740351	4	0.00	0.00	0.00	0.00	0.00	0.00
3488-F231-0000	PCI PRO100+ Ethernet Adapter	25740351	1	0.00	0.00	0.00	0.00	0.00	0.00
3488-K613-0000	Rackmount Conversion Kit	25740351	1	0.00	0.00	0.00	0.00	0.00	0.00
3488-F362-0000	HARD DRIVE, NCR, 18GB 10,000RPM	25740351	1	73.00	73.00	76.65	80.48	84.51	314.64
3488-F127-0000	29160 Adaptec U160/M W/Cable LVD SE SCSI Adapter	25740351	1	0.00	0.00	0.00	0.00	0.00	0.00
DHS0537-01	DotHill SANnet II 200 (includes 13 300GB/10K Hard Drives)	0526080A0F	1	5,075.00	5,075.00	5,328.75	5,595.19	5,874.95	21,873.88
KV-S2065W	Panasonic, SCANNER, 65PPM DUPLEX	61345DE1073	1	2,023.00	2,023.00	2,124.15	2,230.36	2,341.88	8,719.38
KV-S2065W	Panasonic, SCANNER, 65PPM DUPLEX	6132YDC1473	1	2,023.00	2,023.00	2,124.15	2,230.36	2,341.88	8,719.38

EXHIBIT B
Schedule of Prices and Payments

KV-S2065W	Panasonic,SCANNER, 65PPM DUPLEX	6132YDC1478	1	2,023.00	2,023.00	2,124.15	2,230.36	2,341.88	8,719.38
EH-850-1000	Adrenaline 850S SCSI Wide Adapter		3	243.00	729.00	765.45	803.72	843.91	3,142.08
KV-S2065W	Panasonic,SCANNER, 65PPM DUPLEX	6134ZDE1374	1	2,023.00	2,023.00	2,124.15	2,230.36	2,341.88	8,719.38
KV-S2065W	Panasonic,SCANNER, 65PPM DUPLEX	61352DE1059	1	2,023.00	2,023.00	2,124.15	2,230.36	2,341.88	8,719.38
501991-001	Plasmon 10 Slot Ultrium Drive	71000129	1	1,763.00	1,763.00	1,851.15	1,943.71	2,040.89	7,598.75
202162-000	Rack Mount Accessory Kit - 10 Slot Unit Only	65562	1	0.00	0.00	0.00	0.00	0.00	0.00
SUPP.EXT	EXTENDED SOFTWARE SUPPORT		1	1,850.00	1,850.00	1,942.50	2,039.63	2,141.61	7,973.73
OBIPW1	Multi-User Database License		1	1,124.00	1,124.00	1,180.20	1,239.21	1,301.17	4,844.58
CLIPW1	COLD Processing		1	2,248.00	2,248.00	2,360.40	2,478.42	2,602.34	9,689.16
DIIPW1	Production Document Imaging (First Station)		1	1,124.00	1,124.00	1,180.20	1,239.21	1,301.17	4,844.58
DIIPW2	Production Document Imaging (Additional Stations)		2	450.00	900.00	945.00	992.25	1,041.86	3,879.11
DIIPW2	Production Document Imaging (Additional Stations)		2	450.00	900.00	945.00	992.25	1,041.86	3,879.11
ACIPW1-A	Automated CD Authoring		1	876.00	876.00	919.80	965.79	1,014.08	3,775.67
RPIPW1	WFS Remittance Processor		1	2,190.00	2,190.00	2,299.50	2,414.48	2,535.20	9,439.17
WFIPD1	Workflow Departmental Server		1	2,106.00	2,106.00	2,211.30	2,321.87	2,437.96	9,077.12
WFIPW1	Workflow Workstation Client		35	102.00	3,570.00	3,748.50	3,935.93	4,132.72	15,387.15
WFIPW1	Workflow Workstation Client		6	102.00	612.00	642.60	674.73	708.47	2,637.80
WFIPC1	Workflow Concurrent Client		10	202.00	2,020.00	2,121.00	2,227.05	2,338.40	8,706.45
WTIPW1	IMS Browser NT		1	2,161.00	2,161.00	2,269.05	2,382.50	2,501.63	9,314.18
CTIPW1	Workstation Client (1-100) each		15	139.00	2,085.00	2,189.25	2,298.71	2,413.65	8,986.61
CTIPW1	Workstation Client (1-100) each		7	139.00	973.00	1,021.65	1,072.73	1,126.37	4,193.75
CTIPW1	Workstation Client (1-100) each		6	139.00	834.00	875.70	919.49	965.46	3,594.64
CTIPW1	Workstation Client (1-100) each		5	139.00	695.00	729.75	766.24	804.55	2,995.54
CTIPC1	Concurrent Client (1-100) each		84	271.00	22,764.00	23,902.20	25,097.31	26,352.18	98,115.69
AEIP11	Application Enabler		1	3,159.00	3,159.00	3,316.95	3,482.80	3,656.94	13,615.68
FMIPI1	E-Forms		1	2,248.00	2,248.00	2,360.40	2,478.42	2,602.34	9,689.16
PTIPC1	Virtual Print Driver		1	1,012.00	1,012.00	1,062.60	1,115.73	1,171.52	4,361.85
SW-PATH3.21S	SANpath 3.2 Software - First Server		1	1,403.00	1,403.00	1,473.15	1,546.81	1,624.15	6,047.11
SW-SCAPE2.4-1S	SANscape 2.4 - One Server		1	69.00	69.00	72.45	76.07	79.88	297.40
151934	BrightStor ArvServ Backup Agent for Microsoft SQL		1	202.00	202.00	212.10	222.71	233.84	870.65
456317	SOFTWARE, WINDOWS 2000 PROFESSIONAL		2	75.00	150.00	157.50	165.38	173.64	646.52
456327	SOFTWARE, WINDOWS 2000 SERVER WITH 5 CLIENTS		1	226.00	226.00	237.30	249.17	261.62	974.09
3239-F670	XP Professional		1	29.00	29.00	30.45	31.97	33.57	124.99
483405	SOFTWARE, MICROSOFT SQL SERVER 2000 CPU UNLIM USER		2	937.00	1,874.00	1,967.70	2,066.09	2,169.39	8,077.17
EH-5000-1002	Kofax Adrenaline Software v3.75		1	229.00	229.00	240.45	252.47	265.10	987.02
410-01-000001-06-00	IMS Basic Database Service		1	1,850.00	1,850.00	1,942.50	2,039.63	2,141.61	7,973.73
WINZIP	WinZIP		1	9.00	9.00	9.45	9.92	10.42	38.79
PC-ANYWHERE32	SOFTWARE, PC-ANYWHERE 32 V.11		1	47.00	47.00	49.35	51.82	54.41	202.58
INET-CLNT	I-net Support Client		1	0.00	0.00	0.00	0.00	0.00	0.00
511-WFES-SAFE-ESC	Safe Escrow Account		1	676.00	676.00	709.80	745.29	782.55	2,913.64
3241-F670	XP Professional		2	28.00	56.00	58.80	61.74	64.83	241.37
VP-W004-00S1	VRS 4.0 for SCSI workgroups Adrenaline 650i		2	330.00	660.00	693.00	727.65	764.03	2,844.68
Annual Total					\$82,582.40	\$86,711.52	\$91,047.10	\$95,599.45	\$355,940.47

Quarterly Payments

\$20,645.60 \$21,677.88 \$22,761.77 \$23,899.86

* Per contract, 7x24 hour hardware coverage during peak months of April & December.

B. Remittance Processing System (RPS)

Item Number	Description	Serial #	Qty	Maintenance Unit Price	2/1/07-1/31/08 Annual Price	2/1/08-1/31/09 Annual Price	2/1/09-1/31/10 Annual Price	2/1/10-1/31/11 Annual Price	4 Yr Total
EXT.HW	7x24x4 for April & December *			0.00	2,997.37	3,454.70	3,627.44	3,808.81	13,888.32
7780-4211-0000	STR, NCR, STD UP FRT IM, MICR, REAR INK JT ENCO	32887065	1	14,784.00	14,784.00	15,523.20	16,299.36	17,114.33	63,720.89
7780-4211-0000	STR, NCR, STD UP FRT IM, MICR, REAR INK JT ENCO	32887067	1	14,784.00	14,784.00	15,523.20	16,299.36	17,114.33	63,720.89
7780-4211-0000	STR, NCR, STD UP FRT IM, MICR, REAR INK JT ENCO	32887068	1	14,784.00	14,784.00	15,523.20	16,299.36	17,114.33	63,720.89
7781-1011-0000	STR CMP, NCR, 4 PKT MOD W/LISTERS	32888913	1	432.00	432.00	453.60	476.28	500.09	1,861.97
7781-1011-0000	STR CMP, NCR, 4 PKT MOD W/LISTERS	32888914	1	432.00	432.00	453.60	476.28	500.09	1,861.97
7781-1011-0000	STR CMP, NCR, 4 PKT MOD W/LISTERS	32879115	1	432.00	432.00	453.60	476.28	500.09	1,861.97
7781-1011-0000	STR CMP, NCR, 4 PKT MOD W/LISTERS	32879116	1	432.00	432.00	453.60	476.28	500.09	1,861.97
7781-1011-0000	STR CMP, NCR, 4 PKT MOD W/LISTERS	32879117	1	432.00	432.00	453.60	476.28	500.09	1,861.97
7781-1011-0000	STR CMP, NCR, 4 PKT MOD W/LISTERS	32879118	1	432.00	432.00	453.60	476.28	500.09	1,861.97
7781-1011-0000	STR CMP, NCR, 4 PKT MOD W/LISTERS	32874745	1	432.00	432.00	453.60	476.28	500.09	1,861.97
7781-1011-0000	STR CMP, NCR, 4 PKT MOD W/LISTERS	32874746	1	432.00	432.00	453.60	476.28	500.09	1,861.97
7781-1011-0000	STR CMP, NCR, 4 PKT MOD W/LISTERS	32874748	1	432.00	432.00	453.60	476.28	500.09	1,861.97
7780-F202-0000	STR CMP, NCR, FRT GRY W/BINARY IMAGING	32887065	1	168.00	168.00	176.40	185.22	194.48	724.10
7780-F202-0000	STR CMP, NCR, FRT GRY W/BINARY IMAGING	32887067	1	168.00	168.00	176.40	185.22	194.48	724.10
7780-F202-0000	STR CMP, NCR, FRT GRY W/BINARY IMAGING	32887068	1	168.00	168.00	176.40	185.22	194.48	724.10
7780-F170-0000	STR CMP, NCR, MERGE FEED HOPPER	32887065	1	456.00	456.00	478.80	502.74	527.88	1,965.42
7780-F170-0000	STR CMP, NCR, MERGE FEED HOPPER	32887067	1	456.00	456.00	478.80	502.74	527.88	1,965.42
7780-F170-0000	STR CMP, NCR, MERGE FEED HOPPER	32887068	1	456.00	456.00	478.80	502.74	527.88	1,965.42
3299-K396-0000	Adapter-Differential SCSI	32887065	1	170.00	170.00	178.50	187.43	196.80	732.72
3299-K396-0000	Adapter-Differential SCSI	32887067	1	170.00	170.00	178.50	187.43	196.80	732.72
3299-K396-0000	Adapter-Differential SCSI	32887068	1	170.00	170.00	178.50	187.43	196.80	732.72
NCR-3241-S001	PC, NCR, 3241 Workstation	HD9R971	1	126.00	126.00	132.30	138.92	145.86	543.08
3498-2625-8090	17" Color Monitor	476094ADFUF	1	75.00	75.00	78.75	82.69	86.82	323.26
NCR-3241-S001	PC, NCR, 3241 Workstation	BKP6V51	1	5.76	5.76	132.00	138.60	145.53	421.89
NCR-3241-S001	PC, NCR, 3241 Workstation	CFP6V51	1	5.76	5.76	132.00	138.60	145.53	421.89
NCR-3241-S001	PC, NCR, 3241 Workstation	FFP6V51	1	5.76	5.76	132.00	138.60	145.53	421.89
3498-2414-8090	MONITOR, NCR, 17" Color CRT (NCR)	40760549MBMG5	1	3.43	3.43	79.00	82.95	87.10	252.48
3498-2414-8090	MONITOR, NCR, 17" Color CRT (NCR)	40760549MBMFW	1	3.43	3.43	79.00	82.95	87.10	252.48
3498-2414-8090	MONITOR, NCR, 17" Color CRT (NCR)	40760549MBMFY	1	3.43	3.43	79.00	82.95	87.10	252.48
KTMT-1700-USB/B	Touch Screen Add-on for 17" monitor - USB / Black	9919971	1	52.00	52.00	54.60	57.33	60.20	224.13
KTMT-1700-USB/B	Touch Screen Add-on for 17" monitor - USB / Black	9919984	1	52.00	52.00	54.60	57.33	60.20	224.13
KTMT-1700-USB/B	Touch Screen Add-on for 17" monitor - USB / Black	9919987	1	52.00	52.00	54.60	57.33	60.20	224.13
NCR-3526-S004	S2600 Base Rack Mount Server	7ZWJF51	1	18.83	18.83	433.00	454.65	477.38	1,383.86
3526-F877	MEM MOD, DDR SDRAM, 1GB, PC2100, S2600	7ZWJF51	1	0.00	0.00	0.00	0.00	0.00	0.00
3526-F382	73GB Hard Drive, U320, 10K, SCSI	7ZWJF51	6	0.00	0.00	0.00	0.00	0.00	0.00
3526-F414	20/40GB, HH, DDS-4, SCSI Tape Drive	7ZWJF51	1	3.43	3.43	79.00	82.95	87.10	252.48
3526-F234	PCI-INTEL 10/100/1000 Copper PRO 1000XT	7ZWJF51	2	0.00	0.00	0.00	0.00	0.00	0.00
NCR-3526-S004	S2600 Base Rack Mount Server	1J2J941	1	18.83	18.83	433.00	454.65	477.38	1,383.86
3526-F877	MEM MOD, DDR SDRAM, 1GB, PC2100, S2600	1J2J941	1	0.00	0.00	0.00	0.00	0.00	0.00
3526-F382	73GB Hard Drive, U320, 10K, SCSI	1J2J941	6	0.00	0.00	0.00	0.00	0.00	0.00
3526-F414	20/40GB, HH, DDS-4, SCSI Tape Drive	1J2J941	1	3.43	3.43	79.00	82.95	87.10	252.48
3526-F234	PCI-INTEL 10/100/1000 Copper PRO 1000XT	1J2J941	2	0.00	0.00	0.00	0.00	0.00	0.00
3498-2390-8090	19" COL.26MMDP,TC095	34023307	1	112.00	112.00	117.60	123.48	129.65	482.73
3498-2390-8090	19" COL.26MMDP,TC095	34023220	1	112.00	112.00	117.60	123.48	129.65	482.73
3498-2390-8090	19" COL.26MMDP,TC095	34023001	1	112.00	112.00	117.60	123.48	129.65	482.73

EXHIBIT B
Schedule of Prices and Payments

3498-2390-8090	19" COL.26MMDP,TC095	34023169	1	112.00	112.00	117.60	123.48	129.65	482.73
3498-2390-8090	19" COL.26MMDP,TC095	34023409	1	112.00	112.00	117.60	123.48	129.65	482.73
3498-2390-8090	19" COL.26MMDP,TC095	34023003	1	112.00	112.00	117.60	123.48	129.65	482.73
3498-2390-8090	19" COL.26MMDP,TC095	34023405	1	112.00	112.00	117.60	123.48	129.65	482.73
3498-2390-8090	19" COL.26MMDP,TC095	34023170	1	112.00	112.00	117.60	123.48	129.65	482.73
3498-2390-8090	19" COL.26MMDP,TC095	34023304	1	112.00	112.00	117.60	123.48	129.65	482.73
3498-2390-8090	19" COL.26MMDP,TC095	34023406	1	112.00	112.00	117.60	123.48	129.65	482.73
3498-2390-8090	19" COL.26MMDP,TC095	34023083	1	112.00	112.00	117.60	123.48	129.65	482.73
3498-2390-8090	19" COL.26MMDP,TC095	34024195	1	112.00	112.00	117.60	123.48	129.65	482.73
NCR-3241-S001	PC, NCR, 3241 Workstation	7KP6V51	1	5.76	5.76	132.00	138.60	145.53	421.89
3498-2414-8090	MONITOR, NCR, 17" Color CRT (NCR)	40760549MBWGW	1	3.43	3.43	79.00	82.95	87.10	252.48
NCR-3241-S001	PC, NCR, 3241 Workstation	7JP6V51	1	5.76	5.76	132.00	138.60	145.53	421.89
NCR-3241-S001	PC, NCR, 3241 Workstation	5JP6V51	1	5.76	5.76	132.00	138.60	145.53	421.89
NCR-3241-S001	PC, NCR, 3241 Workstation	3KP6V51	1	5.76	5.76	132.00	138.60	145.53	421.89
NCR-3241-S001	PC, NCR, 3241 Workstation	8KP6V51	1	5.76	5.76	132.00	138.60	145.53	421.89
NCR-3241-S001	PC, NCR, 3241 Workstation	1GP6V51	1	5.76	5.76	132.00	138.60	145.53	421.89
NCR-3241-S001	PC, NCR, 3241 Workstation	GJP6V51	1	5.76	5.76	132.00	138.60	145.53	421.89
NCR-3241-S001	PC, NCR, 3241 Workstation	1LP6V51	1	5.76	5.76	132.00	138.60	145.53	421.89
NCR-3241-S001	PC, NCR, 3241 Workstation	2LP6V51	1	5.76	5.76	132.00	138.60	145.53	421.89
NCR-3241-S001	PC, NCR, 3241 Workstation	CJP6V51	1	5.76	5.76	132.00	138.60	145.53	421.89
NCR-3241-S001	PC, NCR, 3241 Workstation	BJP6V51	1	5.76	5.76	132.00	138.60	145.53	421.89
NCR-3241-S001	PC, NCR, 3241 Workstation	9KP6V51	1	5.76	5.76	132.00	138.60	145.53	421.89
NCR-3241-S001	PC, NCR, 3241 Workstation	HJP6V51	1	5.76	5.76	132.00	138.60	145.53	421.89
NCR-3241-S001	PC, NCR, 3241 Workstation	FGP6V51	1	5.76	5.76	132.00	138.60	145.53	421.89
NCR-3241-S001	PC, NCR, 3241 Workstation	JJP6V51	1	5.76	5.76	132.00	138.60	145.53	421.89
3498-2414-8090	MONITOR, NCR, 17" Color CRT (NCR)	40760549MBMG4	1	3.43	3.43	79.00	82.95	87.10	252.48
3498-2414-8090	MONITOR, NCR, 17" Color CRT (NCR)	40760549MBMGQ	1	3.43	3.43	79.00	82.95	87.10	252.48
NCR-3241-S001	PC, NCR, 3241 Workstation	5GP6V51	1	5.76	5.76	132.00	138.60	145.53	421.89
NCR-3241-S001	PC, NCR, 3241 Workstation	9GP6V51	1	5.76	5.76	132.00	138.60	145.53	421.89
3498-2414-8090	MONITOR, NCR, 17" Color CRT (NCR)	476054A1B1J5	1	3.43	3.43	79.00	82.95	87.10	252.48
3498-2414-8090	MONITOR, NCR, 17" Color CRT (NCR)	40760549MBME8	1	3.43	3.43	79.00	82.95	87.10	252.48
7430-0631-6082	Lexmark Printer 30ppm T630N	9922PBP	1	477.00	477.00	500.85	525.89	552.19	2,055.93
7430-0631-6082	Lexmark Printer 30ppm T630N	9922PBD	1	477.00	477.00	500.85	525.89	552.19	2,055.93
SUPP.EXT	EXTENDED SOFTWARE SUPPORT		1	3,150.00	3,150.00	3,307.50	3,472.88	3,646.52	13,576.89
7780IMAGE	7780 2 PASS REMITTANCE SW		1	8,337.00	8,337.00	8,753.85	9,191.54	9,651.12	35,933.51
7780IMAGE-ADD	2 PASS REMITTANCE SW-ADDL		2	5,004.00	10,008.00	10,508.40	11,033.82	11,585.51	43,135.73
RPSX-SERT-0030	ImageRPS Servr(NT) 1-30 Usrs		1	4,787.00	4,787.00	5,026.35	5,277.67	5,541.55	20,632.57
IDTIMAGE-10	ImageRPS Workstation Software IDTs 1-10		10	1,253.00	12,530.00	13,156.50	13,814.33	14,505.04	54,005.87
IDTIMAGE-20	ImageRPS Workstation Software IDTs 11-20		6	1,253.00	7,518.00	7,893.90	8,288.60	8,703.02	32,403.52
7780IMAGEOCR-HS	IMAGE RPS 7780 OCR SW		3	3,337.00	10,011.00	10,511.55	11,037.13	11,588.98	43,148.66
IMGARC	ImageRPS Archive Base		1	2,503.00	2,503.00	2,628.15	2,759.56	2,897.54	10,788.24
IMGARCCONCUR	Web Archive 1 Concurrent User License		20	417.00	8,340.00	8,757.00	9,194.85	9,654.59	35,946.44
IMGARCCSERV	Web Archive(1license per web server)		1	417.00	417.00	437.85	459.74	482.73	1,797.32
GRAYSCRECO	GRAY SCALE RECOGNITION SW		2	9,504.00	19,008.00	19,958.40	20,956.32	22,004.14	81,926.86
RPSX-FPRO-FMAT	FoxPro Reformatter		1	836.00	836.00	877.80	921.69	967.77	3,603.26
TRANINT-CLASS1.75-04	Opex 3600 Interface Unit 1		1	2,025.00	2,025.00	2,126.25	2,232.56	2,344.19	8,728.00
TRANINT-CLASS1.75-AD	Opex 3600 Interface Unit2+		1	1,215.00	1,215.00	1,275.75	1,339.54	1,406.51	5,236.80
RPS-PDB-WKG-ADD-K	ImageRPS Workgroup DB - Add'l. User (max. 50)		1	162.00	162.00	170.10	178.61	187.54	698.24
464576	SOFTWARE, ARCSERVE BACKUP		3	139.00	417.00	437.85	459.74	482.73	1,797.32
464591	SOFTWARE, ARCSERVE IT OPEN FILE MODULE		3	60.00	180.00	189.00	198.45	208.37	775.82
464582	SOFTWARE, ARCSERVE IT DISASTER RECOVERY		3	100.00	300.00	315.00	330.75	347.29	1,293.04

EXHIBIT B
Schedule of Prices and Payments

892455	PCANYWHERE32		11	47.00	517.00	542.85	569.99	598.49	2,228.33
3241-F670	XP Professional		20	28.00	560.00	588.00	617.40	648.27	2,413.67
3241-F670	XP Professional		1	28.00	28.00	29.40	30.87	32.41	120.68
3526-F850	Windows 2003 Server w/5 Clients		2	490.00	980.00	1,029.00	1,080.45	1,134.47	4,223.92
581068	BrightStor ArcServ Backup Software		2	158.00	316.00	331.80	348.39	365.81	1,362.00
458290	Windows Server 2003-License - 20 user CALS		1	145.00	145.00	152.25	159.86	167.86	624.97
458277	SOFTWARE, Visual FoxPro, v8		1	116.00	116.00	121.80	127.89	134.28	499.97
SILVER-MULT	LICENSE, SMART-SENTINEL 3.0	CTY OF LA	1	379.00	379.00	397.95	417.85	438.74	1,633.54
G625-8000-0000	7780 NT Image WISE IP Transport Software		3	2,367.00	7,101.00	7,456.05	7,828.85	8,220.30	30,606.20
SCRN-SCRP	Screen Scrape		1	3,216.00	3,216.00	3,376.80	3,545.64	3,722.92	13,861.36
511-CUST-WFSC-CPWM	Custom Programming Hourly - With Maintenance		20	36.00	720.00	756.00	793.80	833.49	3,103.29
WINZIP	WinZIP		1	9.00	9.00	9.45	9.92	10.42	38.79
PC-ANYWHERE32	SOFTWARE, PC-ANYWHERE 32 V.11		1	47.00	47.00	49.35	51.82	54.41	202.58
Annual Total					\$162,339.53	\$174,863.45	\$183,606.62	\$192,786.96	\$713,596.56

Quarterly Payments

\$40,584.88 \$43,715.86 \$45,901.66 \$48,196.74

* Per contract, 7x24 hour hardware coverage during peak months of April & December.

SECTION III Other Professional Services

	<u>2/1/07-1/31/08</u>	<u>2/1/08-1/31/09</u>	<u>2/1/09-1/31/10</u>	<u>2/1/10-1/31/11</u>
Hourly Rate for Other Professional Services	\$215.00	\$215.00	\$215.00	\$215.00

Z:\Contracts Group Share\Wausau Renewal 2006\WFS Sw & Hw & Fees\Final Schedules\Exhibit B Sch of Prices & Payments 12-01-06.xls\Exhibit B

EXHIBIT C

ADDITIONAL WORK REQUEST

**[AMENDMENT NUMBER [] / CHANGE NOTICE NUMBER []] TO
COUNTY AGREEMENT NO. [] FOR
REMITTANCE PROCESSING AND DOCUMENT MANAGEMENT SYSTEM
MAINTENANCE AND SUPPORT**

This [Amendment Number []/Change Notice Number []] ("[Amendment/Change Notice]"),¹ dated as of [_____, 20__], between County of Los Angeles ("County") and Wausau Financial Systems, Inc., a Wisconsin corporation ("Contractor"), shall be governed by that certain County Agreement No. [] for Remittance Processing and Document Management System Maintenance and Support (as amended from time to time, the "Agreement"), dated as of [_____, 2006], between County and Contractor. Capitalized terms in this [Amendment/Change Notice] not otherwise defined herein shall have the same meanings as set forth in the Agreement.

1. Work: Pursuant to the provisions of the Agreement and this [Amendment/Change Notice], Contractor shall provide, complete, deliver and implement [_____] / [all Tasks, Subtasks, Deliverables, goods, services and other work as set forth in Attachment [1] (Statement of Work No. []) to this [Amendment/Change Notice]] in accordance with the time frame set forth in Attachment [7] (Project Schedule) to this [Amendment/Change Notice].² The foregoing shall constitute "Additional Work" for all purposes under the Agreement.

[2. Additional System Components and Customizations:

- a. Attachment [2] (Supplement to Exhibit B (Schedule of Prices and Payments)) to this [Amendment/Change Notice] supplements Exhibit B (Schedule of Prices and Payments) to the Agreement with all Additional System Components and/or Customizations developed by or on behalf of Contractor pursuant to this [Amendment/Change Notice].
- b. Attachment [3] (Supplement to Functional Requirements) to this [Amendment/Change Notice] supplements the Functional Requirements with all additional Functional Requirements applicable to the Additional System Components and/or Customizations developed by or on behalf of Contractor pursuant to this [Amendment/Change Notice]. In connection with the execution and delivery of this [Amendment/Change Notice], Contractor has delivered to County any additional Documentation for the

¹ If Additional Work will use available Pool Dollar Amount, use Change Notice. Otherwise, use Amendment.

² If for Training, insert description. Otherwise, create and attach a Task and Deliverable based Statement of Work.

Additional System Components and/or Customizations developed by or on behalf of Contractor pursuant to this [Amendment/Change Notice].

- c. If any Additional System Components developed by or on behalf of Contractor pursuant to this [Amendment/Change Notice] includes any Non-Hyland Third Party Software, (i) Attachment [4] (Supplement to Exhibit I (Non-Hyland Third Party Warranties)) to this [Amendment/Change Notice] supplements Exhibit I (Non-Hyland Third Party Warranties) to the Agreement with all applicable third party owner warranties and (ii) Attachment [5] (Supplement to Exhibit J (Non-Hyland Third Party License)) supplements Exhibit J (Non-Hyland Third Party Licenses) to the Agreement with all applicable License provisions. If any Additional System Components developed by or on behalf of Contractor pursuant to this [Amendment/Change Notice] includes any Additional System Hardware, Attachment [4] (Supplement to Exhibit I (Non-Hyland Third Party Warranties)) to this [Amendment/Change Notice] supplements Exhibit I (Non-Hyland Third Party Warranties) to the Agreement with all applicable third party manufacturer warranties.
- d. The Additional System Components and Customizations developed by or on behalf of Contractor pursuant to this [Amendment/Change Notice] shall automatically constitute "System Software" and/or "System Hardware", as applicable, for all purposes under the Agreement.]

3. Pricing and Schedule of Payments:

- a. Contractor's "not to exceed" price for all Tasks, Subtasks Deliverables, goods, services and other work set forth in Attachment [1] (Statement of Work No. []) to this [Amendment/Change Notice] is [\$_____], which shall be payable by County in accordance with Attachment [6] (Payment Schedule) to this [Amendment/Change Notice] and Paragraph 9 (Invoices and Payments) of the Agreement.
- b. [[\$_____] of Pool Dollars will be used for the Additional Work acquired hereunder. Before giving effect to this [Amendment/Change Notice], the Pool Dollars Amount is [\$_____] and after giving effect to this [Amendment/Change Notice], the Pool Dollars Amount is [\$_____].]
- c. After giving effect to this [Amendment/Change Notice], [_____] percent (____ %) of the Contract Sum is obligated.
- d. Contractor represents and warrants that such "not to exceed" pricing (a) is based upon an estimation of personnel hours of [_____], and (b) is

calculated using the applicable rates set forth in Exhibit B (Schedule of Prices and Payments) to the Agreement.³

- d. Contractor shall provide Maintenance and Support services in respect of all Additional System Components and Customizations acquired hereunder in accordance with Exhibit A (Scope of Work) to the Agreement.⁴

[4. Project Schedule: Attachment [7] (Project Schedule) to this [Amendment/Change Notice] sets forth the time frame in which Contractor shall provide, complete, deliver and implement all tasks, deliverables, goods, services and other work described in Attachment [1] – Additional Statement of Work to this [Amendment/Change Notice]. In the event that Contractor fails to deliver any Deliverable hereunder by the date set forth in Attachment [7] (Project Schedule) to this [Amendment/Change Notice] for delivery thereof (each a "Due Date"), County shall be entitled a credit in the amount of [\$_____ (\$_____)]⁵ per day for the first thirty (30) days following the Due Date and [[\$_____ (\$_____)]⁶ per day thereafter until such Deliverable has been delivered by Contractor in accordance with the Agreement and this [Amendment/Change Notice]. Such credit shall be applied to reduce the amount payable by County in respect of such Deliverable on Attachment [6] (Payment Schedule) to this [Amendment/Change Notice].]⁷

[5. Final Acceptance: Attachment [1] (Statement of Work No. []) to this [Amendment/Change Notice] sets forth the Acceptance Tests applicable to all Additional System Components and/or Customizations described therein. Contractor shall achieve Final Acceptance in respect of all such Additional System Components and/or Customizations if and when County's Project Director has confirmed in writing in accordance with Paragraph 2.4 (Approval of Work) of the Agreement that (a) the Additional System Components and/or Customizations have been successfully completed, (b) all applicable Acceptance Tests have been successfully completed, (c) Contractor has successfully completed all corrective action for all Priority Level 1, 2 and 3 Deficiencies, as determined in the reasonable judgment of County's Project Director,

³ Exhibit B (Schedule of Prices and Payments) sets forth the rates for Other Professional Services.

⁴ In the event Maintenance and Support will require additional Maintenance Fees, Contractor's obligation to perform such Maintenance and Support will commence upon installation of the applicable Additional System Components and/or Customizations, but County's obligation to pay Maintenance Fees therefor shall not commence (a) with respect to any Components of Additional System Software, other than Non-Hyland Third Party Software, until County commences Production Use of such Components of Additional System Software in accordance with the applicable Statement of Work, and/or (b) with respect to any Components of Non-Hyland Third Party Software and any Components of Additional System Hardware, until expiration of the applicable warranty for such Components of Non-Hyland Third Party Software or Components of Additional System Hardware, as the case may be, in accordance with Exhibit I (Non-Hyland Third Party Warranties). Additionally, Section 2(a) of the actual Change Notice or Amendment will update Exhibit B (Schedule of Prices and Payments) to include the additional Maintenance Fees for such Additional System Components and/or Customizations.

⁵ Amount of credit to be negotiated at the time of execution of the particular Change Notice or Amendment.

⁶ Amount of credit to be negotiated at the time of execution of the particular Change Notice or Amendment.

⁷ Include for Additional System Components and/or Customizations.

subject to Dispute Resolution Procedure, and (d) [INSERT ANY ADDITIONAL CRITERIA].]⁸

[6. Status Reports: During the period extending from the effective date of this [Amendment/Change Notice] until Contractor achieves Final Acceptance with respect to all Additional Work described herein, Contractor's Project Manager shall deliver to County's Project Manager, monthly written status reports which include at least the following:

1. Period covered by the report;
2. Overview of the reporting period;
3. Tasks, Subtasks, Deliverables, goods, services and other work scheduled for the reporting period which were completed;
4. Tasks, Subtasks, Deliverables, goods, services and other work scheduled the reporting period which were not completed;
5. Tasks, Subtasks, Deliverables, goods, services and other work not scheduled for but completed in the reporting period.
6. Tasks, Subtasks, Deliverables, goods, services and other work scheduled to be completed in the next reporting period;
7. Issues reported or discovered;
8. Issues resolved;
9. Issues to be resolved;
10. Summary of project status as of reporting date; and
11. Any other information which County may from time-to-time reasonably require.]⁹

7. Delivery of Goods: It is in the intent of the parties that to the extent available with respect to individual Components of Additional System Software, including but not limited to Additional Software, Updates, Customizations and Third Party Software, and related Documentation, and any items or materials provided under Maintenance and Support services or as Additional Work, shall be delivered (i) in electronic format (e.g., via electronic mail or internet download), or (ii) personally by Contractor staff who may load the System Software and Documentation onto County's System Hardware but who will retain possession of all originals and copies of such tangible media (including CD-ROM, magnetic tape, printed manuals, etc.) used to deliver the System Software and Documentation to County. The address and contact information to receive the electronic download is as follows:

County of Los Angeles

[_____]

[_____]

[_____]

Telephone No.: [_____]

Email: [_____]

⁸ Include for Additional System Components and/or Customizations.

⁹ Include for Additional System Components and/or Customizations.

8. Effect on Agreement: This [Amendment/Change Notice], Contractor's performance hereunder and all Tasks, Subtasks Deliverables, goods, services and/or other work delivered by Contractor with respect hereto, shall be subject to the terms and conditions of the Agreement in addition to the terms and conditions of this [Amendment/Change Notice], including any applicable license, warranty, performance and/or service level standards set forth in the Agreement. This [Amendment/Change Notice] only modifies the Agreement to the extent expressly set forth herein. All terms and conditions of the Agreement, as amended hereby and by any prior Amendments and Change Notices, shall remain in full force and effect. In the event of any conflict between the provisions of the Agreement and the provisions of this [Amendment/Change Notice], the provisions of the Agreement shall govern.

* * *

Authorized representatives of both County and Contractor have signed this [Amendment/Change Notice] to indicate their acceptance thereof as of the date first above written.

[AMENDMENTS, USE:]

CONTRACTOR:
WAUSAU FINANCIAL SYSTEMS, INC.

By _____
Name

Title

COUNTY:
COUNTY OF LOS ANGELES

By _____
[Mayor/Chair], Board of Supervisors

ATTEST:

SACHI A. HAMAI
Executive Officer-Clerk
of the Board of Supervisors

By _____

APPROVED AS TO FORM:
BY COUNTY COUNSEL

RAYMOND G. FORTNER, JR.

By _____
Deputy

[CHANGE NOTICES, USE:]

CONTRACTOR'S PROJECT DIRECTOR: COUNTY'S PROJECT DIRECTOR:

Signature: _____

Signature: _____

Printed Name: _____

Printed Name: _____

[IF ADDITIONAL SYSTEM COMPONENTS AND/OR CUSTOMIZATIONS,
ADDITIONAL USE:]

APPROVED AS TO FORM:

REVIEWED AND APPROVED:

RAYMOND G. FORTNER, JR.
County Counsel

JON W. FULLINWIDER
Chief Information Officer

By: _____ By: _____

ADMINISTRATION OF AGREEMENT

COUNTY'S ADMINISTRATION

CONTRACT NO. _____

COUNTY PROJECT DIRECTOR:

Name: Mark Oune
Title: Assistant Treasurer and Tax Collector
Address: 500 West Temple St., Rm.434, Los Angeles, CA 90012
Telephone: (213) 974-7363
Facsimile: (213) 687-4857
E-Mail Address: moune@ttc.lacounty.gov

DMS:**COUNTY
PROJECT
MANAGER:**

Name: Lourdes Guerrero
Title: Information Systems
Manager II
Address: 500 West Temple St,
RM #409
Los Angeles, CA 90012
Telephone: (213) 974-7618
Facsimile: (213) 217-4974
E-Mail Address: lguerrero@ttc.lacounty.gov

RPS:**COUNTY
PROJECT
MANAGER:**

Name: Sharon Page
Title: Operations Chief
Address: 500 West Temple St,
RM #425E
Los Angeles, CA 90012
Telephone: (213) 974-2106
Facsimile: (213) 625-2845
E-Mail Address: spage@ttc.lacounty.gov

CONTRACTOR'S ADMINISTRATION**CONTRACTOR'S NAME: WAUSAU FINANCIAL SYSTEMS, INC.****CONTRACT NO: _____****CONTRACTOR'S PROJECT MANAGER:**

Name: Kevin Karpinski
Title: Vice President, Customer Care
Address: 875 Indianhead Drive
Mosinee, WI 54455-0037
Telephone: 715-241-2156
Facsimile: 715-241-2828
E-Mail Address: Kkarpinski@Wausaufs.com

CONTRACTOR'S AUTHORIZED OFFICIAL(S)

Name: Mark Pitman
Title: Executive Vice President
Address: 875 Indianhead Drive, Mosinee, WI 54455-0037
Telephone: 715-241-2188
Facsimile: 715-241-2288
E-Mail Address: Mpitman@Wausaufs.com

Name: Stuart Coppens
Title: Chief Financial Officer
Address: 875 Indianhead Drive, Mosinee, WI 54455-0037
Telephone: 715-241-5561
Facsimile: 715-241-2288
E-Mail Address: Scoppens@Wausaufs.com

Notices to Contractor shall be sent to the following:

Name: Stuart Coppens
Title: Chief Financial Officer
Address: 875 Indianhead Drive
Mosinee, WI 54455-0037
Telephone: 715-241-5561
Facsimile: 715-241-2288
E-Mail Address: Scoppens@Wausaufs.com

CONTRACTOR'S EEO CERTIFICATION

Wausau Financial Systems, Inc.
 Contractor Name
875 Indianhead Drive, Mosinee WI
 Address 54455
39-1620-250
 Internal Revenue Service Employer Identification Number

GENERAL CERTIFICATION

In accordance with Section 4.32.010 of the Code of the County of Los Angeles, the contractor, supplier, or vendor certifies and agrees that all persons employed by such firm, its affiliates, subsidiaries, or holding companies are and will be treated equally by the firm without regard to or because of race, religion, ancestry, national origin, or sex and in compliance with all anti-discrimination laws of the United States of America and the State of California.

CONTRACTOR'S SPECIFIC CERTIFICATIONS

1. The Contractor has a written policy statement prohibiting discrimination in all phases of employment. Yes ☒ No ☐
2. The Contractor periodically conducts a self analysis or utilization analysis of its work force. Yes ☒ No ☐
3. The Contractor has a system for determining if its employment practices are discriminatory against protected groups. Yes ☒ No ☐
4. Where problem areas are identified in employment practices, the Contractor has a system for taking reasonable corrective action, to include establishment of goals or timetables. Yes ☒ No ☐

Sharon Wirsbinski, Employment Manager
 Authorized Official's Printed Name and Title
Sharon Wirsbinski
 Authorized Official's Signature
11-10-2006
 Date

Title 2 ADMINISTRATION
Chapter 2.203.010 through 2.203.090

CONTRACTOR EMPLOYEE JURY SERVICE

2.203.010 Findings.

The board of supervisors makes the following findings. The county of Los Angeles allows its permanent, full-time employees unlimited jury service at their regular pay. Unfortunately, many businesses do not offer or are reducing or even eliminating compensation to employees who serve on juries. This creates a potential financial hardship for employees who do not receive their pay when called to jury service, and those employees often seek to be excused from having to serve. Although changes in the court rules make it more difficult to excuse a potential juror on grounds of financial hardship, potential jurors continue to be excused on this basis, especially from longer trials. This reduces the number of potential jurors and increases the burden on those employers, such as the county of Los Angeles, who pay their permanent, full-time employees while on juror duty. For these reasons, the county of Los Angeles has determined that it is appropriate to require that the businesses with which the county contracts possess reasonable jury service policies.

2.203.020 Definitions.

The following definitions shall be applicable to this chapter:

- A. "Contractor" means a person, partnership, corporation or other entity which has a contract with the county or a subcontract with a county contractor and has received or will receive an aggregate sum of \$50,000 or more in any 12-month period under one or more such contracts or subcontracts.
- B. "Employee" means any California resident who is a full-time employee of a contractor under the laws of California.
- C. "Contract" means any agreement to provide goods to, or perform services for or on behalf of, the county but does not include:
 - 1. A contract where the board finds that special circumstances exist that justify a waiver of the requirements of this chapter; or
 - 2. A contract where federal or state law or a condition of a federal or state program mandates the use of a particular contractor; or
 - 3. A purchase made through a state or federal contract; or
 - 4. A monopoly purchase that is exclusive and proprietary to a specific manufacturer, distributor, or reseller, and must match and inter-member with existing supplies, equipment or systems maintained by the county pursuant to the Los Angeles County Purchasing Policy and Procedures Manual, section P-3700 or a successor provision; or
 - 5. A revolving fund (petty cash) purchase pursuant to the Los Angeles County Fiscal Manual, section 4.4.0 or a successor provision; or

Title 2 ADMINISTRATION
Chapter 2.203.010 through 2.203.090
CONTRACTOR EMPLOYEE JURY SERVICE

6. A purchase card pursuant to the Los Angeles County Purchasing Policy and Procedures Manual, section P-2810 or a successor provision; or
 7. A non-agreement purchase with a value of less than \$5,000 pursuant to the Los Angeles County Purchasing Policy and Procedures Manual, section A-0300 or a successor provision; or
 8. A bona fide emergency purchase pursuant to the Los Angeles County Purchasing Policy and Procedures Manual, section PP-1100 or a successor provision.
- D. "Full time" means 40 hours or more worked per week, or a lesser number of hours if the lesser number is a recognized industry standard as determined by the chief administrative officer or the contractor has a long-standing practice that defines a full-time schedule as less than 40 hours per week.

2.203.030 Applicability.

This chapter shall apply to contractors who enter into contracts that commence after July 11, 2002. This chapter shall also apply to contractors with existing contracts which are extended into option years that commence after July 11, 2002. Contracts that commence after May 28, 2002, but before July 11, 2002, shall be subject to the provisions of this chapter only if the solicitations for such contracts stated that the chapter would be applicable.

2.203.040 Contractor Jury Service Policy.

A contractor shall have and adhere to a written policy that provides that its employees shall receive from the contractor, on an annual basis, no less than five days of regular pay for actual jury service. The policy may provide that employees deposit any fees received for such jury service with the contractor or that the contractor deducts from the employees' regular pay the fees received for jury service.

2.203.050 Other Provisions.

- A. Administration. The chief administrative officer shall be responsible for the administration of this chapter. The chief administrative officer may, with the advice of county counsel, issue interpretations of the provisions of this chapter and shall issue written instructions on the implementation and ongoing administration of this chapter. Such instructions may provide for the delegation of functions to other county departments.
- B. Compliance Certification. At the time of seeking a contract, a contractor shall certify to the county that it has and adheres to a policy consistent with this chapter or will have and adhere to such a policy prior to award of the contract.

Title 2 ADMINISTRATION
Chapter 2.203.010 through 2.203.090
CONTRACTOR EMPLOYEE JURY SERVICE

2.203.060 Enforcement and Remedies.

For a contractor's violation of any provision of this chapter, the county department head responsible for administering the contract may do one or more of the following:

1. Recommend to the board of supervisors the termination of the contract; and/or,
2. Pursuant to chapter 2.202, seek the debarment of the contractor.

2.203.070. Exceptions.

- A. Other Laws. This chapter shall not be interpreted or applied to any contractor or to any employee in a manner inconsistent with the laws of the United States or California.
- B. Collective Bargaining Agreements. This chapter shall be superseded by a collective bargaining agreement that expressly so provides.
- C. Small Business. This chapter shall not be applied to any contractor that meets all of the following:
 1. Has ten or fewer employees during the contract period; and,
 2. Has annual gross revenues in the preceding twelve months which, if added to the annual amount of the contract awarded, are less than \$500,000; and,
 3. Is not an affiliate or subsidiary of a business dominant in its field of operation.

"Dominant in its field of operation" means having more than ten employees and annual gross revenues in the preceding twelve months which, if added to the annual amount of the contract awarded, exceed \$500,000.

"Affiliate or subsidiary of a business dominant in its field of operation" means a business which is at least 20 percent owned by a business dominant in its field of operation, or by partners, officers, directors, majority stockholders, or their equivalent, of a business dominant in that field of operation.

2.203.090. Severability.

If any provision of this chapter is found invalid by a court of competent jurisdiction, the remaining provisions shall remain in full force and effect.

SAFELY SURRENDERED BABY LAW

Posters and Fact Sheets are available in English and Spanish for printing purposes at the following website:

www.babysafela.org

No shame. No blame. No names.

**Newborns can be safely given up
at any Los Angeles County
hospital emergency room or fire station.**



**In Los Angeles County:
1-877-BABY SAFE
1-877-222-9723
www.babysafela.org**



State of California
Gray Davis, Governor

Health and Human Services Agency
Grantland Johnson, Secretary

Department of Social Services
Rita Saenz, Director



Los Angeles County Board of Supervisors
Gloria Molina, Supervisor, First District
Yvonne Brathwaite Burke, Supervisor, Second District
Zev Yaroslavsky, Supervisor, Third District
Don Knabe, Supervisor, Fourth District
Michael D. Antonovich, Supervisor, Fifth District

This initiative is also supported by First 5 LA and INFO LINE of Los Angeles.

What is the Safely Surrendered Baby Law?

California's Safely Surrendered Baby Law allows parents to give up their baby confidentially. As long as the baby has not been abused or neglected, parents may give up their newborn without fear of arrest or prosecution.

How does it work?

A distressed parent who is unable or unwilling to care for a baby can legally, confidentially and safely give up a baby within three days of birth. The baby must be handed to an employee at a Los Angeles County emergency room or fire station. As long as the child shows no signs of abuse or neglect, no name or other information is required. In case the parent changes his or her mind at a later date and wants the baby back, workers will use bracelets to help connect them to each other. One bracelet will be placed on the baby, and a matching bracelet will be given to the parent.

What if a parent wants the baby back?

Parents who change their minds can begin the process of reclaiming their newborns within 14 days. These parents should call the Los Angeles County Department of Children and Family Services at 1-800-540-4000.

Can only a parent bring in the baby?

In most cases, a parent will bring in the baby. The law allows other people to bring in the baby if they have legal custody.

Does the parent have to call before bringing in the baby?

No. A parent can bring in a baby anytime, 24 hours a day, 7 days a week so long as the parent gives the baby to someone who works at the hospital or fire station.

Does a parent have to tell anything to the people taking the baby?

No. However, hospital personnel will ask the parent to fill out a questionnaire designed to gather important medical history information, which is very useful in caring for the child. Although encouraged, filling out the questionnaire is not required.

What happens to the baby?

The baby will be examined and given medical treatment, if needed. Then the baby will be placed in a pre-adoptive home.

What happens to the parent?

Once the parent(s) has safely turned over the baby, they are free to go.

Why is California doing this?

The purpose of the Safely Surrendered Baby Law is to protect babies from being abandoned by their parents and potentially being hurt or killed. You may have heard tragic stories of babies left in dumpsters or public bathrooms. The parents who committed these acts may have been under severe emotional distress. The mothers may have hidden their pregnancies, fearful of what would happen if their families found out. Because they were afraid and had nowhere to turn for help, they abandoned their infants. Abandoning a baby puts the child in extreme danger. It is also illegal. Too often, it results in the baby's death. Because of the Safely Surrendered Baby Law, this tragedy doesn't ever have to happen in California again.

A baby's story

At 8:30 a.m. on Thursday, July 25, 2002, a healthy newborn baby was brought to St. Bernardine Medical Center in San Bernardino under the provisions of the California Safely Surrendered Baby Law. As the law states, the baby's mother did not have to identify herself. When the baby was brought to the emergency room, he was examined by a pediatrician, who determined that the baby was healthy and doing fine. He was placed with a loving family while the adoption process was started.

Every baby deserves a chance for a healthy life. If someone you know is considering abandoning a newborn, let her know there are other options.

It is best that women seek help to receive proper medical care and counseling while they are pregnant. But at the same time, we want to assure parents who choose not to keep their baby that they will not go to jail if they deliver their babies to safe hands in any Los Angeles County hospital ER or fire station.

Sin pena. Sin culpa. Sin peligro.

**Los recién nacidos pueden ser entregados
en forma segura en la sala de emergencia de
cualquier hospital o en un cuartel de bomberos
del Condado de Los Angeles.**



En el Condado de Los Angeles:

1-877-BABY SAFE

1-877-222-9723

www.babysafela.org



Estado de California
Gray Davis, Gobernador

Agencia de Salud y Servicios Humanos
(Health and Human Services Agency)
Grantland Johnson, Secretario

Departamento de Servicios Sociales
(Department of Social Services)
Rita Saenz, Directora



Consejo de Supervisores del Condado de Los Angeles

Gloria Molina, Supervisora, Primer Distrito

Yvonne Brathwaite Burke, Supervisora, Segundo Distrito

Zev Yaroslavsky, Supervisor, Tercer Distrito

Don Knabe, Supervisor, Cuarto Distrito

Michael D. Antonovich, Supervisor, Quinto Distrito

Esta Iniciativa tambien esta apollada por First 5 LA y INFO LINE de Los Angeles.

¿Qué es la Ley de Entrega de Bebés Sin Peligro?

La Ley de Entrega de Bebés Sin Peligro de California permite a los padres entregar a su recién nacido confidencialmente. Siempre que el bebé no haya sufrido abuso ni negligencia, padres pueden entregar a su recién nacido sin temor a ser arrestados o procesados.

¿Cómo funciona?

El padre/madre con dificultades que no pueda o no quiera cuidar de su recién nacido puede entregarlo en forma legal, confidencial y segura, dentro de los tres días del nacimiento. El bebé debe ser entregado a un empleado de una sala de emergencias o de un cuartel de bomberos del Condado de Los Angeles. Siempre que el bebé no presente signos de abuso o negligencia, no será necesario suministrar nombres ni información alguna. Si el padre/madre cambia de opinión posteriormente y desea recuperar a su bebé, los trabajadores utilizarán brazaletes para poder vincularlos. El bebé llevará un brazaletes y el padre/madre recibirá un brazaletes igual.

¿Qué pasa si el padre/madre desea recuperar a su bebé?

Los padres que cambien de opinión pueden empezar el proceso de redamar a su recién nacido dentro de los 14 días. Estos padres deberán llamar al Departamento de Servicios para Niños y Familias (Department of Children and Family Services) del Condado de Los Angeles, al 1-800-540-4000.

¿Sólo los padres podrán llevar al recién nacido?

En la mayoría de los casos, los padres son los que llevan al bebé. La ley permite que otras personas lleven al bebé si tienen la custodia legal del menor.

¿Los padres deben llamar antes de llevar al bebé?

No. El padre/madre puede llevar a su bebé en cualquier momento, las 24 horas del día, los 7 días de la semana, mientras que entregue a su bebé a un empleado del hospital o de un cuartel de bomberos.

¿Es necesario que el padre/madre diga algo a las personas que reciben al bebé?

No. Sin embargo, el personal del hospital le pedirá que llene un cuestionario con la finalidad de recabar antecedentes médicos importantes, que resultan de gran utilidad para los cuidados que recibirá el bebé. Es recomendado llenar este cuestionario, pero no es obligatorio hacerlo.

¿Qué ocurrirá con el bebé?

El bebé será examinado y, de ser necesario, recibirá tratamiento médico. Luego el bebé se entregará a un hogar preadoptivo.

¿Qué pasará con el padre/madre?

Una vez que los padres hayan entregado a su bebé en forma segura, serán libres de irse.

¿Por qué California hace esto?

La finalidad de la Ley de Entrega de Bebés Sin Peligro es proteger a los bebés del abandono por parte de sus padres y de la posibilidad de que mueran o sufran daños. Usted probablemente haya escuchado historias trágicas sobre bebés abandonados en basureros o en baños públicos. Es posible que los padres que cometieron estos actos hayan estado atravesando dificultades emocionales graves. Las madres pueden haber ocultado su embarazo, por temor a lo que pasaría si sus familias se enteraran. Abandonaron a sus recién nacidos porque tenían miedo y no tenían adonde recurrir para obtener ayuda. El abandono de un recién nacido lo pone en una situación de peligro extremo. Además es ilegal. Muy a menudo el abandono provoca la muerte del bebé. Ahora, gracias a la Ley de Entrega de Bebés Sin Peligro, esta tragedia ya no debe suceder nunca más en California.

Historia de un bebé

A las 8:30 a.m. del jueves 25 de julio de 2002, se entregó un bebé recién nacido saludable en el St. Bernardine Medical Center en San Bernardino, en virtud de las disposiciones de la Ley de Entrega de Bebés Sin Peligro. Como lo establece la ley, la madre del bebé no se tuvo que identificar. Cuando el bebé llegó a la sala de emergencias, un pediatra lo revisó y determinó que el bebé estaba saludable y no tenía problemas. El bebé fue ubicado con una buena familia, mientras se iniciaban los trámites de adopción.

Cada recién nacido merece una
oportunidad de tener una vida saludable.
Si alguien que usted conoce está pensando
en abandonar a un recién nacido, infórmelo
qué otras opciones tiene.

Es mejor que las mujeres busquen ayuda para recibir atención médica y asesoramiento adecuado durante el embarazo. Pero al mismo tiempo, queremos asegurarles a los padres que optan por no quedarse con su bebé que no irán a la cárcel si dejan a sus bebés en buenas manos en cualquier sala de emergencia de un hospital o en un cuartel de bomberos del Condado de Los Angeles.

ESCROW AGREEMENTS

DSI ESCROW AGREEMENT

EXHIBIT J - Escrow Agreement
KR version 17
5/19/00 10:04 AM

EXHIBIT J
COUNTY OF LOS ANGELES AND
WAUSAU FINANCIAL SYSTEMS, INC.
ESCROW AGREEMENT

THIS ESCROW AGREEMENT (hereafter "Escrow Agreement") is entered into this 6th day of JUNE, 2000, by and among WAUSAU FINANCIAL SYSTEMS, INC., a Wisconsin corporation having its principal offices at 9 Indianhead Drive, Mosinee, Wisconsin 54455-0037 (hereafter "Licensor"); the COUNTY OF LOS ANGELES, a political subdivision of the State of California (hereafter "Licensee"); and DSI Technology Escrow Services, Inc., a Delaware corporation, having an office at 9265 Sky Park Court, Suite 202, San Diego, California 92123 (hereafter "Escrow Agent").

RECITALS

WHEREAS, Licensor and Licensee have entered into a Remittance Processing and Image Archive System Agreement, including its Exhibits and Attachments, further identified as Los Angeles County Agreement Number 72749, (hereafter "Agreement") under which (i) Licensor shall develop, implement, maintain and support a Remittance Processing and Image Archive System for Licensee and (ii) Licensor has licensed to Licensee certain computer software (for purposes of this Escrow Agreement, such software shall include all System Software (as that term is defined in the Agreement) other than certain Third Party Software (as that term is defined in the Agreement) not owned by Kyris Image Software, which Third Party Software is shown, as of the effective date of the Agreement, as Items 1, 2, 3, 4, 5, 8, 9, 10, and 11 of Section II (System Software) of Attachment B (Schedule of System Hardware and System Software) of Exhibit A (Statement of Work) of the Agreement, and is also licensed by Licensor to Licensee under the Agreement), including, without limitation, certain revisions, corrections, enhancements, updates, modifications, patches, improvements or other changes thereto from time to time developed by Licensor, and such additional program changes as Licensee may order from Licensor from time to time, and all related documentation developed by Licensor (hereafter collectively "Product"); and

WHEREAS, Licensor is willing to disclose the source code and related documentation (hereafter "Wausau Source Code") for the Product to its customers, including Licensee, upon the occurrence of certain events as provided in this Escrow Agreement; and

WHEREAS, the Product may include software provided to Licensor by a developer or multiple developers (hereafter "Developer" or "Developers"), and all such Developers are willing to disclose the source code and related documentation (hereafter "Developer Source Code") for their software to Licensee upon the occurrence of certain events as provided in this Escrow Agreement.

NOW, THEREFORE, Licensor, Licensee, and Escrow Agent hereby agree as follows:

1. DEPOSIT:

A. General:

Escrow Agent agrees to accept from Licensor the Wausau Source Code (as more fully described herein) and any Developer Source Code (hereafter collectively "Source Codes"), including any revisions, corrections,

EXHIBIT J - Escrow Agreement

KR version 17

5/19/00 10:04 AM

enhancements, updates, modifications, patches, improvements or other changes thereto as provided in Section 2 (Warranties of Licensor). Within three (3) working days after the effective date of the Agreement, Licensor shall deliver to Escrow Agent the Source Codes, together with a list of all materials deposited into escrow in the form specified in Exhibit B (Description of Deposit Materials). Escrow Agent shall issue to Licensor and Licensee a receipt, in the form specified in Exhibit B (Description of Deposit Materials), for the Source Codes upon delivery. The Source Codes held by Escrow Agent shall remain the exclusive property of Licensor or Developer, and Escrow Agent shall not use the Source Codes or disclose the same to any party except as specifically provided herein. Escrow Agent shall hold the Source Codes in safekeeping until Escrow Agent receives notice pursuant to the terms of this Escrow Agreement that Escrow Agent is to deliver the Source Codes to Licensee or Licensor, in which case Escrow Agent shall deliver the Source Codes to the party identified therein, subject to the provisions of this Escrow Agreement.

B. Deposit Inspection:

When Escrow Agent receives the deposit materials and Exhibit B (Description of Deposit Materials), Escrow Agent shall conduct a deposit inspection by visually matching the labeling of the tangible materials to the item descriptions and quantity listed on Exhibit B (Description of Deposit Materials). In addition to the deposit inspection, Licensee may elect to cause a verification of the deposit materials in accordance with Section 2 (Warranties of Licensor).

C. Acceptance of Deposit:

At completion of the deposit inspection, if Escrow Agent determines that the labeling of the tangible media and other materials match the item descriptions and quantity shown on Exhibit B (Description of Deposit Materials), Escrow Agent shall date and sign Exhibit B (Description of Deposit Materials) and mail a copy thereof to Licensor and Licensee. If Escrow Agent determines that the labeling does not match the item descriptions or quantity shown on Exhibit B (Description of Deposit Materials), Escrow Agent shall: (i) note the discrepancies in writing on Exhibit B (Description of Deposit Materials); (ii) date and sign Exhibit B (Description of Deposit Materials) with the exceptions noted; and (iii) provide a copy of Exhibit B (Description of Deposit Materials) to Licensor and Licensee. Escrow Agent's acceptance of the deposit occurs upon the signing of Exhibit B (Description of Deposit Materials) by Escrow Agent. Delivery of the signed Exhibit B (Description of Deposit Materials) to Licensee is Licensee's notice that the deposit materials have been received and accepted by Escrow Agent.

As updated versions of the Source Codes are delivered to Escrow Agent as provided in Section 2 (Warranties of Licensor), the outdated versions of the Source Codes shall be returned to Licensor in accordance with the written instructions of Licensor to Escrow Agent.

D. Natural Degeneration, Destruction or Corruption of Source Codes:

Licensor, Licensee and Escrow Agent acknowledge that as a result of the passage of time alone, the deposited Source Codes may be susceptible to loss of quality (hereafter "Natural Degeneration"). For the purpose of reducing the

EXHIBIT J – Escrow Agreement

KR version 17

5/19/00 10:04 AM

risk of Natural Degeneration, Licensor shall deliver to Escrow Agent a new copy of all deposited Source Codes at least once every two (2) years upon written request of Licensee's Project Director. Further, if the Source Codes or any part of thereof are destroyed or corrupted, then upon Licensee's Project Director's request, Licensor shall deliver to Escrow Agent a replacement copy of the Source Codes. Escrow Agent's and Licensor's obligations, as set forth under the provisions of Subsections A (General), B (Deposit Inspection) and C (Acceptance of Deposit), shall also apply to any deposit of the Source Codes with Escrow Agent as described in this Subsection D.

2. WARRANTIES OF LICENSOR:**A. General:**

Licensor warrants to Licensee and Escrow Agent that (i) the Source Codes delivered to Escrow Agent constitute the source codes and related documentation for the Product licensed to Licensee pursuant to the Agreement; (ii) the Source Codes delivered to Escrow Agent are in a form suitable for reproduction by computer and/or photocopy equipment, and consist of a full source language statement of the program or programs comprising the Product, such that a reasonably skilled third-party programmer or analyst can maintain or enhance the Product, without the help of any other person or reference to any other material; (iii) within thirty (30) days of delivery of software, or revisions, corrections, enhancements, updates, modifications, patches, improvements or other changes thereto, to Licensee, Licensor shall promptly supplement the Source Codes delivered hereunder with all revisions, corrections, enhancements, updates, modifications, patches, improvements or other changes thereto, so that the Source Codes fully correspond to the Product in use by Licensee at all times; and (iv) Licensor has all the right and authority to grant Escrow Agent and Licensee all the rights as provided in this Escrow Agreement, including, without limitation, the right to provide third party source code and related materials to Licensee pursuant to Section 3 (Delivery of Source Codes to Licensee).

B. Verification:

Licensee shall have the right, at Licensee's expense, to cause a verification of any deposit materials. A verification determines, in different levels of detail, the accuracy, completeness, sufficiency and quality of the deposit materials. If a verification is elected by Licensee after the deposit materials have been delivered to Escrow Agent, then only Escrow Agent, or at Escrow Agent's election an independent person or company selected and supervised by Escrow Agent, at Escrow Agent's expense, may perform the verification.

C. Right to Inspect:

Licensee shall have the right to inspect all deposit materials during Escrow Agent's normal business hours.

3. DELIVERY OF SOURCE CODES TO LICENSEE:**A. Notice of Access:**

EXHIBIT J - Escrow Agreement

KR version 17

5/19/00 10:04 AM

Licensee shall have the right to have the Source Codes delivered to Licensee if (i) Licenser fails or refuses, at any time during the warranty or maintenance period specified in the Agreement or during the term of any subsequent agreement between Licenser and Licensee providing for the maintenance or support of the Product by Licenser, to correct any malfunction, defect or nonconformity in the Product which prevents it from functioning in any material respect (as determined in the sole judgment of Licensee, subject to the provisions of Paragraph 61 (Dispute Resolution Procedure) of the Agreement) in accordance with all applicable specifications, documentation, performance criteria, warranties and descriptions contained in the Agreement or in any other agreement between Licenser and Licensee relating to the Product within ten (10) business days after Licensee's written notice to Licenser specifying in reasonable detail in what respects the Product fails to so conform; (ii) Licenser fails or refuses to promptly provide revisions, corrections, enhancements, updates, modifications, patches, improvements or other changes to the Product which are required by the Agreement, and which affect the functions performed by the Product; (iii) Licenser becomes insolvent; makes an assignment for the benefit of creditors, or petition or apply to any tribunal for the appointment of a custodian, receiver, or trustee for all or a substantial part of its assets; commences any proceeding under any Licenser bankruptcy, reorganization, arrangement, readjustment of debt, dissolution, or liquidation law or statute of any jurisdiction whether now or hereafter in effect; has any such petition or application filed or any such proceeding commenced against it in which an order for relief is entered or an adjudication or appointment is made, and which remains undismissed for a period of sixty (60) days or more; takes any corporate action indicating its consent to, approval of, or acquiescence in any such petition, application, proceeding, or order for relief or the appointment of a custodian, receiver, or trustee for all or a substantial part of its assets; permits any such custodianship, receivership, or trusteeship to continue undischarged for a period of sixty (60) days or more causing Licenser or any third party, including, without limitation, a trustee in bankruptcy, to be empowered under state or federal law to reject the Agreement or any agreement supplementary hereto; suffers or permits the appointment of a custodian, receiver or trustee for its business or assets, becomes subject to any proceeding under any bankruptcy or insolvency law, whether domestic or foreign; or has ceased, wound up or liquidated its business voluntarily or otherwise has ceased the sale, licensing, maintenance, or other support of the Product; (iv) there is a rejection of the Agreement or any agreement supplementary hereto in bankruptcy; (v) Licenser while in bankruptcy rejects the license to the Product granted under the Agreement and Licensee thereafter elects to retain its rights under the Agreement; (vi) the license to the Product granted under the Agreement is otherwise rejected in any bankruptcy; (vii) Licenser ceases to do business without a successor qualified to continue maintenance or support of the Product in accordance with the Agreement; or (viii) Licenser undergoes any change in its ownership or control and the controlling person or entity fail or refuse to continue maintenance and support of the Product in accordance with the Agreement. Licensee shall give written notice (hereafter "Notice of Access") to Escrow Agent of the occurrence of any of the foregoing events. The Notice of Access shall, at a minimum (i) be labeled "Notice of Access"; (ii) identify the Agreement and this Escrow Agreement; (iii) specify the nature of

EXHIBIT J – Escrow Agreement

KR version 17

5/19/00 10:04 AM

the event which has occurred; and (iv) demand the delivery of the Source Codes to Licensee.

B. Affidavit:

Within forty-eight (48) hours of receipt of the Notice of Access, Escrow Agent shall send a copy thereof to Licensor by certified or registered mail, postage prepaid, return receipt requested, or by overnight courier. If Licensor desires to dispute the occurrence of the event specified in the Notice of Access, Licensor shall, within two (2) business days after the receipt or attempted delivery of the copy of the Notice of Access from Escrow Agent, deliver to Escrow Agent a sworn statement (hereinafter "Affidavit") stating that the event referred to in the Notice of Access has not occurred, whereupon the provisions of Section 5 (Disputes) will become applicable. If Escrow Agent receives the Affidavit within such two (2) business days, after receipt of the Notice of Access by Licensor, Escrow Agent shall send a copy thereof to Licensee by certified or registered mail, postage prepaid, return receipt requested, or by overnight courier. If Escrow Agent does not receive the Affidavit which complies with this Subsection B within two (2) business days, after receipt of the Notice of Access by Licensor, Escrow Agent is authorized and directed to deliver the Source Codes to Licensee. If the Source Codes are delivered to Licensee as described in this Subsection B, Licensee shall be entitled to fully use the Source Codes in accordance with the provisions of the Agreement.

4. NOTICE OF TERMINATION:

Upon the termination of the Agreement and any subsequent maintenance or support agreement(s) between Licensor and Licensee, Licensor may obtain the return of the Source Codes by furnishing written notice of the termination (hereafter "Termination Notice") to Escrow Agent.

5. DISPUTES:

In the event that Licensor files an Affidavit or a Termination Notice with Escrow Agent in the manner and within the time period set forth in Subsection B (Affidavit) of Section 3 (Delivery of Source Codes to Licensee) or Section 4 (Notice of Termination), and subject to Section 7 (Termination), Escrow Agent shall not release the Source Codes to either Licensee or Licensor except in accordance with (i) a court order or (ii) receipt of an agreement with the authorized and notarized signatures of both Licensor and Licensee, authorizing the release of the Source Codes to one of the parties.

If the parties to this Escrow Agreement are in disagreement about the interpretation of this Escrow Agreement, or about their rights and obligations, or the propriety of any action taken or contemplated by Escrow Agent hereunder, the parties may file: (i) a declaratory judgment action, (ii) an action in interpleader or (iii) other action to resolve the disagreement. Unless the bringing of the action is occasioned by the willful misconduct, bad faith or gross negligence of Escrow Agent, Escrow Agent shall be indemnified for all costs, including reasonable attorney's fees, in connection with the action, in accordance with Section 10d below.

6. PAYMENT TO ESCROW AGENT:

EXHIBIT J – Escrow Agreement

KR version 17

5/19/00 10:04 AM

As payment for services hereunder, Escrow Agent shall receive from Licensee a fee in an amount in accordance with the schedule attached hereto as Exhibit A (Fee Schedule), provided that Licensee's total liability hereunder shall not exceed Nine Thousand Three Hundred Dollars (\$9,300). Escrow Agent shall send invoices for such fees to Licensee at the following address:

Treasurer and Tax Collector
Fiscal Division
500 West Temple Street, Room 434
Los Angeles, CA 90012

7. TERMINATION:**A. General:**

This Escrow Agreement shall remain in effect during the term of the Agreement and any subsequent maintenance or support agreement(s) between Licensor and Licensee. This Escrow Agreement shall terminate on the earliest of: (i) the delivery of the Source Codes in accordance with the terms of this Escrow Agreement or (ii) receipt by Escrow Agent of a written Termination Notice of the Agreement and any maintenance or support agreements, in accordance with Section 4 (Notice of Termination) or (iii) termination for nonpayment of Escrow Agent.

B. Termination for Nonpayment:

In the event of the nonpayment of fees owed to Escrow Agent, Escrow Agent shall provide written notice of delinquency to all parties to this Escrow Agreement. Any party to this Escrow Agreement shall have the right to make the payment to Escrow Agent to cure the default. If the past due payment is not received in full by Escrow Agent within one (1) month of the date of such notice, Escrow Agent shall have the right to terminate this Escrow Agreement at any time thereafter by sending written notice of termination to all parties.

C. Disposition of Deposit Materials Upon Termination:

Upon termination of this Escrow Agreement, Escrow Agent shall destroy, return, or otherwise deliver the deposit materials in accordance with instructions. If there are no instructions, Escrow Agent may, at its sole discretion, destroy the deposit materials or return them to Licensor. Escrow Agent shall have no obligation to return or destroy the deposit materials if the deposit materials are subject to another escrow agreement with Escrow Agent.

8. WAIVER, AMENDMENT OR MODIFICATION:

The terms, conditions and obligations of this Escrow Agreement may not be waived, amended or modified except by the written agreement of all the parties hereto affected by such waiver, amendment or modification. Any invalidity, in whole or in part, of any provision of this Escrow Agreement shall not affect the validity of any of its other provisions.

9. NOTICES:

Agreement For Remittance Processing And Image Archive System

EXHIBIT J - Escrow Agreement
KR version 17
5/19/00 10:04 AM

All notices required or permitted to be given under this Escrow Agreement shall be in writing and shall be given by certified or registered mail, return receipt requested, or by overnight courier, to the parties at their respective addresses set forth below, or at any other address designated by notice to all other parties.

Licensor: Wausau Financial Systems, Inc.
9 Indianhead Drive
Mosinee, WI 54455-0037
Attention: Tim Norton
Phone: (715) 241-2207

Licensee: County of Los Angeles
Treasurer-Tax Collector
500 West Temple Street, Room 434
Los Angeles, CA 90012
Attention: Maureen Oster
Phone: (213) 974-7363

Escrow Agent: DSI Technology Escrow Services, Inc.
9265 Sky Park Court, Suite 202
San Diego, Ca. 92123
Attention: Contracts
Phone: (619) 694-1900

10. LIMITATION ON ESCROW AGENT'S RESPONSIBILITY AND LIABILITY:

- A. Escrow Agent shall not be obligated or required to examine or inspect the Source Codes except pursuant to Section 1 (Deposit). Escrow Agent's obligation for safekeeping shall be limited to providing the same degree of care for the Source Codes as it maintains for its valuable documents and for those of its customers lodged in the same location, with appropriate atmospheric or other safeguards. It is the responsibility of Licensor to notify Escrow Agent of any safeguards necessary to protect the Source Codes, and a copy of such safeguards shall be provided to Licensee. If the Source Codes are damaged in any way, Escrow agent shall notify Licensor and Licensee within twenty-four (24) hours of its discovery of such damage. Licensor agrees that it shall immediately, within forty-eight (48) hours of notice from Escrow Agent, provide Escrow Agent with an undamaged copy of the Source Codes at no cost to Licensee.
- B. Escrow Agent shall be protected when acting upon any written notice, request, waiver, consent, receipt or other paper or document furnished to it pursuant to this Escrow Agreement, not only in assuming its due execution and the validity and effectiveness of its provisions, but also as to the truth and acceptability of any information therein contained, which Escrow Agent in good faith believes to be genuine and what it purports to be.

EXHIBIT J – Escrow Agreement

KR version 17

5/19/00 10:04 AM

- C. Escrow Agent shall have no duties except those expressly set forth herein. Escrow Agent shall not be bound by any notice of a claim or demand with respect to this Escrow Agreement, or any waiver, modification, amendment, termination, or rescission by any third party unless Escrow Agent is notified by Licensor and/or Licensee in writing.
- D. Licensor:
Escrow Agent shall be responsible to perform its obligations under this Escrow Agreement and to act in a reasonable and prudent manner with regard to this escrow arrangement. Provided Escrow Agent has acted in the manner stated in the preceding sentence, Licensor shall agree to indemnify, defend and hold harmless Escrow Agent from any and all claims, actions, damages, arbitration fees and expenses, costs, attorney's fees and other liabilities whatsoever incurred by Escrow Agent relating in any way to this escrow arrangement.
- E. Licensee:
Escrow Agent shall be responsible to perform its obligations under this Escrow Agreement and to act in a reasonable and prudent manner with regard to this escrow arrangement. Provided Escrow Agent has acted in the manner stated in the preceding sentence, Licensee shall agree to hold harmless Escrow Agent from any and all claims, actions, damages, arbitration fees and expenses, costs, attorney's fees and other liabilities whatsoever incurred by Escrow Agent relating in any way to this escrow arrangement.
- F. Escrow Agent has no responsibility for the contents of the Agreement.
- G. Escrow Agent may seek the advice of legal counsel in the event of any disputes or questions as to the construction of any of the provisions of this Escrow Agreement or its duties hereunder, and it shall incur no liability and shall be fully protected with respect to any action taken or omitted by it in good faith in accordance with the opinion of such counsel.
- H. Escrow Agent shall not be responsible for determining the identity, authority or rights of any person, firm or corporation executing or delivering or purporting to execute or deliver this Escrow Agreement.
- I. Except as set forth herein, Escrow Agent shall not be responsible for the sufficiency, genuineness or validity of or title to any document deposited with it.

11. CHOICE OF LAW AND FORUM:

The formation, interpretation, and performance of this Escrow Agreement shall be governed by the laws of the State of California, provided that no provision of this Escrow Agreement shall be interpreted for or against a party because that party or its legal representatives drafted such provision, and this Escrow Agreement shall be construed as if jointly prepared by the parties. No lawsuit or other legal action pertaining to any matter arising under or growing out of this Escrow Agreement shall be instituted in any state other than California. Licensor and Escrow Agent agree and consent to the exclusive jurisdiction of the courts of the State of California for all purposes regarding this Escrow Agreement and further agree and consent that venue

5/18/00 10:04 AM

[illegible]

EXHIBIT J - Escrow Agreement

KR version 17

5/19/00 10:04 AM

IN WITNESS WHEREOF, the parties have caused this Escrow Agreement to be executed as of the year and date first above written.

WAUSAU FINANCIAL SYSTEMS, INC.,

DATE: 5/23/2000BY: Mark PutmanTITLE: Sr. V.P. Sales

Chairman of the Board, President or Vice-President

DATE: 5/23/2000BY: CFGTITLE: CFG

Secretary, Assistant Secretary, CFO or Assistant Treasurer

COUNTY OF LOS ANGELES

DATE: _____

BY: Gloria Molina

Gloria Molina

TITLE: Chair, Los Angeles County Board of Supervisors

DSI TECHNOLOGY ESCROW SERVICES, INC.

DATE: May 22, 2000BY: SteffTITLE: Regional Sales Manager

DATE: _____

BY: _____

TITLE: _____

APPROVED AS TO FORM:

Lloyd W. Pellman
County CounselBY: James Kashian

James Kashian

Principal Deputy County Counsel

DATE: 5/24/00**ADOPTED**BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

56

JUN 06 2000

ATTEST: VIOLET VARONA-LUKENS
EXECUTIVE OFFICER -
CLERK OF THE BOARD OF SUPERVISORSBy: Violet Varona-Lukens

Deputy



Agreement For Remittance Processing And Image Archive System

Violet Varona-Lukens
VIOLET VARONA-LUKENS
EXECUTIVE OFFICER

EXHIBIT J - Escrow Agreement
KR version 17
5/19/00 10:04 AM

EXHIBIT A**FEE SCHEDULE**

First year (includes 1st year beneficiary & deposit fee) \$ 2,400

Unlimited update option (for 1st year) \$ 300

Total 1st year fees: \$ 2,700

Renewal years (per year) \$ 1,350

Unlimited update option (per year) \$ 300

Total fees per year after 1st year: \$1,650 ✓

EXHIBIT J – Escrow Agreement
KR version 17
5/19/00 10:04 AM

EXHIBIT B

DESCRIPTION OF DEPOSIT MATERIALS

Depositor Company Name

Account Number

Product Name

Version

(Product Name will appear on Account History report)

DEPOSIT MATERIAL DESCRIPTION:

Quantity

Media Type & Size

Label Description of Each Separate Item
(Please use other side if additional space is needed)

Disk 3.5" or

DAT Tape mm

CD-ROM

Data cartridge tape

TK 70 or tape

Magnetic tape

Documentation

Other

PRODUCT DESCRIPTION:

Operating System

Hardware Platform

SAFEGUARDS**DEPOSIT COPYING INFORMATION:**Is the media encrypted? YES / NO If yes, please include any passwords and the decryption tools.
Encryption tool name Version

Hardware required

Software required

I certify for Depositor that the above described
Deposit materials have been transmitted to DSI:DSI has inspected and accepted the above
materials (any exceptions are noted above):

Signature

Print Name

Date

Signature

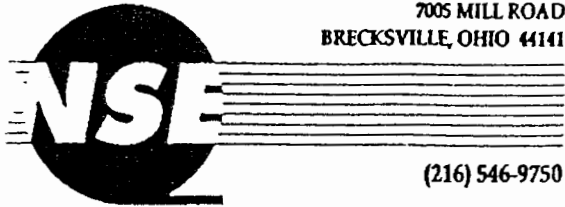
Print Name

Date

Exhibit B#

Send materials to: DSI Technology Escrow Services, Inc., 9265 Sky Park Court, Suite 202, San Diego,
CA 92123 (619) 694-1900

NSE ESCROW AGREEMENT



NATIONAL SOFTWARE ESCROW, INC.
7005 MILL ROAD
BRECKSVILLE, OHIO 44141

(216) 546-9750

SOFTWARE ESCROW AGREEMENT NO. 5040

FOR

HYLAND SOFTWARE

-1-

COPYRIGHT (C) 1994 NATIONAL SOFTWARE ESCROW, INC.,
BRECKSVILLE, OHIO

NATIONAL SOFTWARE ESCROW, INC.
7005 MILL ROAD
BRECKSVILLE, OHIO 44141



(216) 546-9750

SOFTWARE ESCROW AGREEMENT

NUMBER 5040

This Escrow Agreement made as of this 19th day of October, 1994, among NATIONAL SOFTWARE ESCROW, INC., an Ohio Corporation, ("ESCROW AGENT") and HYLAND SOFTWARE, INC. ("HYLAND").

WHEREAS, HYLAND has and will license the OnBase Information Management System ("SOFTWARE") to end-users (LICENSEE) under HYLAND'S User Software License Agreement attached and incorporated herein as Exhibit A (the "License Agreement"), pursuant to which HYLAND has agreed to grant LICENSEE a license to use the SOFTWARE upon terms and conditions specified in the LICENSE AGREEMENT and,

WHEREAS, HYLAND has and will grants rights to companies to distribute the Software ("RESELLERS") and,

WHEREAS HYLAND desires not to disclose the Source Code and related documentation for the Software except upon certain specific terms and conditions and,

WHEREAS, to assure the continued availability and usefulness of the Software, HYLAND has agreed to establish and maintain in escrow the Source Code and documentation thereof,

NOW, THEREFORE, in consideration of the premises and the mutual covenants contained herein, the parties agree as follows:

1.0 DEPOSIT OF SOURCE CODE

- 1.1 HYLAND agrees to deposit and the ESCROW AGENT agrees to accept the Source Code for the Software as described in Exhibit A, attached hereto and made a part hereof. In addition, from time to time hereafter, HYLAND will deposit with the ESCROW AGENT all necessary and appropriate improvements, revisions, enhancements, or updates for the Source Code so that, at all times, the Source Code will correspond with the Software actually distributed to the LICENSEE or RESELLER. The ESCROW AGENT will issue to HYLAND a receipt for the initial Source Code deposit and for each subsequent deposit.

"Source Code" means only the Source Code as originally deposited, and all revisions, updates or improvements which relate to that original deposit. It is agreed that only a copy of the Source Code need be deposited with the ESCROW AGENT and that this Escrow Agreement relates only to the copy of the Source Code in the possession of the ESCROW AGENT. Nothing in this agreement shall be interpreted to deprive HYLAND of any right, title or interest in the Source Code. However, this agreement will be construed to effectuate its major purpose which is to allow the LICENSEE or RESELLER the continued benefit of the Software if HYLAND fails to perform its obligation as stated herein.

1.2 HYLAND represents and warrants that:

- A. The material described in Form 1.1 attached hereto constitutes the Source Code and documentation of the Software described in Exhibit A.
- B. The Source Code delivered to the ESCROW AGENT is in a form suitable for reproduction by computer equipment, and consists of a full source language statement of the Program or Software comprising the product.
- C. HYLAND will promptly supplement the Source Code with all revisions, corrections, enhancements, or other changes so that the Source Code constitutes a human readable program for the current release of the Software to which this trust agreement relates.
- D. The Source Code delivered to the ESCROW AGENT includes all necessary materials to permit a reasonably skilled third party programmer to recreate executable version(s) of the Software from the Source Code.

- 1.3 ESCROW AGENT shall hold the Source Code in a secure, climatized facility and shall release the same upon the conditions hereinafter provided.

2.0 RELEASE FROM ESCROW

- 2.1 The Escrow Agent is authorized to provide the LICENSEE or RESELLER access to the Source Code in the event of discontinuance of business activities by HYLAND, its successors or assigns.
- 2.2 On the happening of the event described in Paragraph 2.1, the LICENSEE or RESELLER shall give written notice to the ESCROW AGENT and request access to the Source Code. The request shall identify the license or reseller agreement and this Escrow Agreement, shall specify the nature of the request, shall identify the Source Code with reasonable specificity, and shall request the delivery of a complete copy of the Source Code to the LICENSEE or RESELLER.

Upon receipt of the notice the ESCROW AGENT shall send a copy of the notice to HYLAND by certified or registered mail, return receipt requested. If HYLAND desires to dispute the notice, HYLAND shall, within thirty (30) days after receipt thereof, deliver to the ESCROW AGENT a sworn statement advising the ESCROW AGENT that it disputes the request to access to the Source Code.

If the ESCROW AGENT does not receive an affidavit from HYLAND stating that HYLAND does not believe the LICENSEE or RESELLER should have access to the Source Code, the ESCROW AGENT is authorized and directed to provide access to the Source Code to the LICENSEE or RESELLER.

3.0 DISPUTES

- 3.1 If HYLAND files the affidavit in response to the notice disputing the request of access to the Source Code, the following procedures shall be followed:
 - A. HYLAND and the LICENSEE or RESELLER shall meet, at an agreed upon time and place, each being prepared to negotiate in good faith for a reasonable settlement.
 - B. If the dispute cannot be resolved at this meeting, there shall be at least one other meeting, which meeting shall be attended by officers of the respective

companies and a second attempt made to reach a mutually agreeable settlement.

The ESCROW AGENT shall sit in as a neutral observer in each of these two meetings.

- C. If the dispute cannot be resolved at either of these two meetings there shall be an arbitration meeting at which the ESCROW AGENT shall act as the arbitrator. During this additional meeting each party shall have one hour to present the reasons which justify its position. After each party has presented its position, each party shall have an additional half hour for rebuttal or responding. After these presentations the ESCROW AGENT shall, within five business days, make a binding decision as to whether there has or has not been an event that justifies providing the LICENSEE or RESELLER access to the Source Code. If the ESCROW AGENT determines that there is justification for providing access to the Software, it shall immediately give a copy of the Source Code to the LICENSEE or RESELLER, and if it determines that there is not justification for providing access to the Software, it shall continue to hold the Source Code for the benefit of HYLAND.

If either party elects to file any petitions in any court, the ESCROW AGENT shall, nevertheless, take the actions expressly stated hereunder, unless and until a court of competent jurisdiction renders a binding decision directing the ESCROW AGENT to take some other course of action. The ESCROW AGENT is directed to act in accordance with its determination as arbitrator and to be entirely protected from any adverse results of such actions even if a court should later determine their rights differently from the ESCROW AGENT or find some fault with the arbitration process.

4.0 PAYMENT AND INDEMNIFICATION OF THE ESCROW AGENT

- 4.1 The ESCROW AGENT shall be entitled to payment for his services in accordance with Exhibit B, attached hereto and entitled "SOFTWARE ESCROW SYSTEM Price Schedule." That attachment exhibit shall set forth both the ESCROW AGENT'S fees as escrow agent and also, should the ESCROW AGENT be called upon to conduct meetings and/or to act as arbitrator, the fees for those services as well. HYLAND and the LICENSEE or RESELLER agree that all fees payable to the ESCROW AGENT, under the arbitration arrangement, shall be split equally

between them, otherwise each shall pay their respective fees as listed on Exhibit B.

The ESCROW AGENT shall not be obligated or required to examine or inspect the Source Code or any of the additions. The ESCROW AGENT'S obligation shall be limited to providing the same degree of care for the Source Code as he maintains for his valuable documents and those of his customers lodged in the same location.

The ESCROW AGENT shall be protected in acting upon any written notice, request, waiver, consent, receipt, or other paper or document furnished to him not only in assuming its due execution, but also as to the truth of any information contained therein.

5.0 OWNERSHIP OF SOURCE MATERIAL

- 5.1 The legal owner of the tangible medium comprising the escrowed Source Code, but not the Source Code itself nor the documentation and other information embodied in such tangible medium, shall be ESCROW AGENT as soon as such material is received at ESCROW AGENT at all times until the Source Code is returned to HYLAND, subject only to the claims of HYLAND and LICENSEE or RESELLER herein.
- 5.2 ESCROW AGENT recognizes and acknowledges that ownership of the Source Code itself and any programmer documentation (together with all copyright rights and proprietary rights therein) shall remain with HYLAND at all times.
- 5.3 However the escrowed copy in possession of the ESCROW AGENT shall become the ESCROW AGENT'S property for the payment of \$1.00 to HYLAND, to be used only for the fulfillment of this agreement between HYLAND and the LICENSEE.

6.0 TERMINATION

- 6.1 The ESCROW AGENT'S duties with respect to such Source Code shall terminate in any of the following events:

The delivery of the Source Code to the LICENSEE or RESELLER pursuant to Paragraph 2 of the Agreement.

If a copy of the Source Code is delivered to the LICENSEE pursuant to the procedures set forth in this Agreement, ESCROW AGENT'S duties with respect to such Source Code shall terminate on the date of such delivery. In the event the Source Code delivered to LICENSEE includes all licensed Software identified in Form 1.1, this Agreement shall also terminate on the date of such delivery. This Agreement may also be terminated by HYLAND two years after a termination of the License Agreement. In such an event HYLAND may obtain the return of the Source Code by furnishing the ESCROW AGENT with a written notice of termination. Such written notice must be signed by an authorized representative of the LICENSEE.

- 6.2 In the absence of written notice as referred to in Section 2.2 above the Escrow Agreement shall terminate and ESCROW AGENT shall return the Source Code to HYLAND, three months from the date of termination or expiration of the License Agreement. Such date of termination or expiration shall be specified in a written notice to ESCROW AGENT signed by both HYLAND and LICENSEE.
- 6.3 ESCROW AGENT shall be permitted to terminate this Escrow Agreement and return the Source Code to HYLAND for non-payment of its fee upon providing thirty-days written notice to LICENSEE and LICENSEE'S failure to cure such default.

7.0 GENERAL

- 7.1 Except as provided in this Agreement, ESCROW AGENT agrees that it shall not divulge or disclose or otherwise make available to any third person whatsoever, or make any use whatsoever of the Source Code without the express prior written consent of HYLAND.
- 7.2 ESCROW AGENT shall not, by reason of its execution of this Agreement, assume any responsibility or liability for any transactions between HYLAND and LICENSEE or RESELLER other than for the performance of its obligations with respect to the Source Code held by it in accordance with this Agreement. The party on whose behalf, or pursuant to whose directions ESCROW AGENT acts, shall, indemnify and hold harmless ESCROW AGENT from any and all liability, damage, costs or expenses, including reasonable attorney's fees, which may be sustained or incurred by ESCROW AGENT as a result of taking of such action.

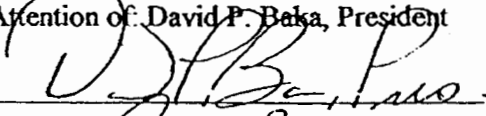
- 7.3 ESCROW AGENT HEREBY DISCLAIMS THE UNIFORM COMMERCIAL CODE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE AND ANY AND ALL OTHER WARRANTIES OF ANY NATURE OR KIND.
- 7.4 ESCROW AGENT'S liability to HYLAND and LICENSEE or RESELLER shall be limited to the safe return of the Source Code to whichever is entitled to it by agreement between them, or pursuant to Article 2.0 of this Escrow Agreement. In no event shall ESCROW AGENT be liable for consequential or other damages to either HYLAND or LICENSEE or RESELLER. Damages shall be limited to (i) replacement of this Source Code media (e.g., blank tapes, cards or disks) and (ii) the sum of all escrow fees previously paid by LICENSEE and DEVELOPER under the terms of this Escrow Agreement.
- 7.5 This Escrow Agreement shall not be waived, amended, or modified except by written agreement of both parties hereto. Any invalidity in whole or in part of any provision of this Escrow Agreement will not affect the validity of any of its other provisions.
- 7.6 All notices required to be given hereunder shall be in writing and shall be given by certified or registered mail, return receipt requested, to the parties at their respective addresses as indicated in this agreement or to such other address that shall be specified in writing in a notice to all of the other parties.
- 7.7 This Escrow Agreement shall be governed by the laws of the State of Ohio.

ACKNOWLEDGED AND ACCEPTED

NATIONAL SOFTWARE ESCROW, INC. ("ESCROW AGENT")

Address: 7005 Mill Road, Brecksville, Ohio 44141

To the Attention of: David P. Baka, President

By: 

Title: President

HYLAND SOFTWARE ("HYLAND")

Address: 18500 Lake Road, Bridge Building, A-50, Rocky River, OH 44116

To the Attention of: Packy Hyland Sr.

By: 

Title: VP Operations

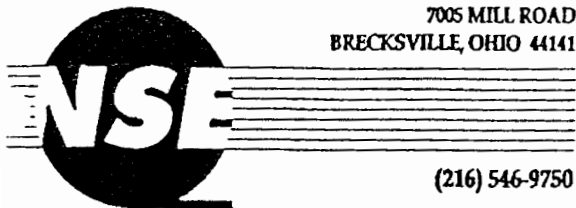


NATIONAL SOFTWARE ESCROW, INC.
7005 MILL ROAD
BRECKSVILLE, OHIO 44141

(216) 546-9750

EXHIBIT "A"

Please attach a complete copy of the license agreement for the system covered under Escrow Agreement Number 5040 .



NATIONAL SOFTWARE ESCROW, INC.
7005 MILL ROAD
BRECKSVILLE, OHIO 44141

(216) 546-9750

SOFTWARE SOURCE CODE IDENTIFICATION AND CERTIFICATION

ESCROW FORM 1.1

The undersigned "SOFTWARE DEVELOPER" hereby identifies the following Source Code contained within the package to which this document is attached and certifies to its completeness and accuracy for Escrow Agreement Number 5040.

Program

*ONBASE Information Management System & all
related modules.*

("SOFTWARE DEVELOPER")

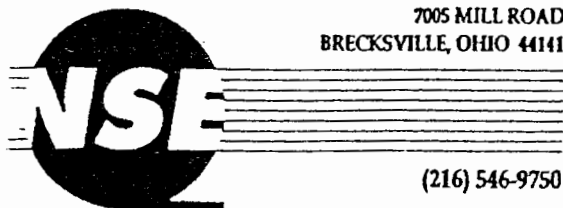
By: _____

Title: _____

Date: _____

cc: _____

("SOFTWARE USER")



(216) 546-9750

Exhibit B Price Schedule

Developer Fees:

Annual Escrow Fee per set of source codes	1st Year	\$375.00
	Renewal Fee	\$200.00

User Fees:

(Grants Contingent Access to Source Code)	1st Year	\$125.00
	Renewal Fee	\$ 60.00

Vault Charges for Media Storage Including Documentation:

Up to One Cubic Foot	\$90.00/Yr.
----------------------	-------------

Miscellaneous Fees:

Update Fees per change (Includes notification to covered licensees)	\$50.00
Release Request - Per User (User Request for Release Based Upon Terms and Conditions of Escrow Agreement)	\$100.00
Deposit Release - Per User (Release of Copies of Escrow Materials to User Under Terms and Conditions of Escrow Agreement)	\$200.00

Arbitration Fees:

For Observing Meeting Number One	\$100.00
For Observing Meeting Number Two	\$200.00
To Act as Arbitrator If Third Meeting is Required	\$500.00

Plus All Actual Costs Expended, Including Travel and Lodging If Meetings
Are Held Outside of Escrow Agent's Office.

All Legal Consulting, Reproduction and Other Expenses Will Be
Billed As Agreed Per Occurrence.

**ADDITIONAL "LICENSEE" REGISTRATION
FORM 2.1 AND ESCROW AGREEMENT #5040
ADDENDUM**

1. HYLAND SOFTWARE, INC. ("HYLAND"), having established Software Escrow Agreement #5040 ("Escrow Agreement") with NATIONAL SOFTWARE ESCROW, INC., ("ESCROW AGENT"), hereby designates the following organization ("LICENSEE") as an additional party to that Escrow Agreement entitled to the rights and protections of a "LICENSEE" thereunder:

Company Name: COUNTY OF LOS ANGELES (a political
subdivision of the State of California)

Street Address: Treasurer-Tax Collector
500 West Temple Street, Room 434

City, State, Zip: Los Angeles, CA 90012

Attention of: Nancy Morton

Phone: (213) 974-2184

2. HYLAND, the ESCROW AGENT and the LICENSEE also hereby agree to make certain modifications to the Escrow Agreement, solely as it relates to the rights and obligations of HYLAND, the ESCROW AGENT and the LICENSEE as among themselves, and not thereby affecting the rights or obligations of any other "LICENSEE" or "RESELLER" under the Escrow Agreement; to wit:

- 2.1 Section 2.1 of the Escrow Agreement is modified for the benefit of the LICENSEE named above to add the following:

"The ESCROW AGENT also is authorized to provide the LICENSEE named above access to the SOURCE CODE if: (i) at any time during the warranty or maintenance period specified in the Remittance Processing and Image Archive System Agreement dated June 6, 2000, as amended (the License Agreement"), by and between the LICENSEE and WAUSAU FINANCIAL SYSTEMS, INC., an authorized OEM of HYLAND ("OEM"), or during the term of any subsequent agreement between the LICENSEE and OEM providing for the maintenance and support of the Software by OEM, OEM fails or refuses to correct any malfunction, defect or nonconformity in the Software which prevents it from functioning in any material respect in accordance with all specifications, documentation, performance criteria, warranties and descriptions contained in the License Agreement or in any other agreement between OEM and the LICENSEE relating to the Software within ten (10) business days after the LICENSEE's written notice to OEM specifying in reasonable detail in what respects the Software fails to so conform; and after such failure by OEM the LICENSEE

provides written notice to HYLAND of such failure (which notice shall include a copy of the written notice from the LICENSEE to OEM specifying the nonconformity) and HYLAND fails or refuses to correct such malfunction, defect or nonconformity within thirty (30) calendar days after HYLAND's receipt of such notice from the LICENSEE; (ii) OEM fails or refuses to promptly provide revisions, corrections, enhancements, updates, modifications, patches, improvements or other changes to the Software which are required by the License Agreement, and which affect the functions performed by the Software; and after such failure by OEM the LICENSEE provides written notice to HYLAND of such failure (which notice shall specify in reasonable detail in what respects OEM has committed such failure) and HYLAND fails or refuses to provide the foregoing required changes that OEM has failed to provide within thirty (30) calendar days after HYLAND's receipt of such notice from the LICENSEE; (iii) HYLAND becomes insolvent; makes an assignment for the benefit of creditors, or petitions or applies to any tribunal for the appointment of a custodian, receiver, or trustee for all or a substantial part of its assets; commences any proceeding under any bankruptcy, reorganization, arrangement, readjustment of debt, dissolution or liquidation law or statute of any jurisdiction, whether now or hereafter in effect; has any such petition or application filed or any such proceeding commenced against it in which an order for relief is entered or an adjudication or appointment is made, and which remains undismissed for a period of sixty (60) days or more; and in any such case after the occurrence of any of the foregoing events either of the circumstances related to HYLAND and described in clauses (i) or (ii) above shall occur; or (iv) HYLAND undergoes any change in its ownership or control and the controlling person or entity fail or refuse to continue maintenance and support of the Software."

2.2 Section 2.2 of the Escrow Agreement is modified to add the following:

Failure by HYLAND to deliver to the ESCROW AGENT such sworn affidavit of dispute within thirty (30) days of receipt of the LICENSEE's written notice requesting access to the Source Code shall render the LICENSEE's request of access to the Source Code undisputed, upon which event the ESCROW AGENT shall provide to the LICENSEE access to the Source Code.

3. HYLAND grants the ESCROW AGENT the irrevocable right to copy or reproduce the SOURCE CODE being held under the terms of the Escrow Agreement, to be used only for the completion of the terms of the Escrow Agreement, should the need occur.
4. HYLAND, by signing below, authorizes the ESCROW AGENT to issue a copy of the Escrow Agreement to the above named LICENSEE, granting LICENSEE the status of a third party beneficiary under the Escrow Agreement, and all rights and protections of a "LICENSEE" contained in the Escrow Agreement.
5. In the event that the SOURCE CODE is released to the LICENSEE pursuant to the terms of the Escrow Agreement, HYLAND grants the LICENSEE a perpetual (subject to the

terms of the License Agreement), non-assignable, non-exclusive and limited license to the SOURCE CODE, and the LICENSEE agrees that it will use the SOURCE CODE, solely for the purpose of allowing the LICENSEE to obtain and realize the rights and benefits accorded to the LICENSEE with respect to the Software under and in accordance with the terms of the License Agreement; and the LICENSEE agrees that it shall make no other or further use of the SOURCE CODE.

6. HYLAND, by signing below, authorizes the ESCROW AGENT to issue a copy of the Escrow Agreement to the LICENSEE.
7. With respect to the LICENSEE designated above, the User Software Agreement attached and incorporated into the Escrow Agreement as Exhibit A is hereby replaced in its entirety with the License Agreement between the LICENSEE and OEM. A copy of such agreement is hereby attached to this Addendum.

IN WITNESS WHEREOF, the parties have executed this Escrow Form 2.1 and Escrow Agreement #5040 Addendum.

HYLAND SOFTWARE, INC.

NATIONAL SOFTWARE ESCROW, INC.

By: [Signature]

By: [Signature]

Title: EVP

Title: President

Date: 5/15/2003

Date: 5/16/03

COUNTY OF LOS ANGELES

APPROVED AS TO FORM:

"LICENSEE"

Lloyd W. Pellman

County Counsel

By: [Signature]

By: [Signature]

Title: CHAIR, BOARD OF SUPERVISORS

Victoria Mansourian

Senior Associate County Counsel

Date: JUN 3 - 2003

Date: May 21, 2003

ATTEST: VIOLET VARONA-LUKENS
EXECUTIVE OFFICER -
CLERK OF THE BOARD OF SUPERVISORS

By: [Signature] Deputy



ADOPTED
BOARD OF SUPERVISORS
COUNTY OF LOS ANGELES

86

JUN 3 2003

[Signature]
VIOLET VARONA-LUKENS
EXECUTIVE OFFICER

NON-HYLAND THIRD PARTY WARRANTIES

[To be supplemented in connection with Additional Work Request]

NON-HYLAND THIRD PARTY LICENSE

[To be supplemented in connection with Additional Work Request]